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Albania: Western Support for Berisha Termed 'Unholy Compromise'

MS1405122196 London INDEPENDENT in English 14 May 96 p 9

[Article by Andrew Gumbel: "Europe's Unholy Alliance With a Repressive Reign"]

[FBIS Transcribed Text] Tirana—Albania's President Sali Berisha may not be popular with international human rights groups who have condemned his repressive attacks on the opposition, the judiciary and the independent press, and he is mistrusted by many Albanians who feel he has created a giant client state at the service of his Democratic Party.

But in the run-up to this month's general elections he has enjoyed almost unqualified support from European Union countries, who have swept away scruples about interfering in the internal affairs of other countries and, in some cases, campaigned openly for his party.

According to the diplomatic community in Tirana, Germany and Italy have been particularly assiduous in their support. The Konrad Adenauer Foundation, which is linked to Chancellor Helmut Kohl's CDU [Christian Democrat Party], has given logistical advice to the Democratic Party and other centre-right groupings, and held seminars on electoral strategy.

A month ago, two senior politicians representing European conservatives, Alois Mock of the European Democratic Union and Klaus Welle of the European Christian Democrats, turned up at the Democratic Party's pre-electoral convention and praised Mr Berisha for keeping the peace in the southern Balkans. A few days later, Pierre Lellouche, an adviser to the French President Jacques Chirac, called him the great hope for "democracy, freedom and prosperity".

The President of the Council of Europe's parliamentary assembly, Leni Fischer, even went so far as to praise a much-contested law banning former collaborators with the communist-era secret service in Albania from seeking public office. The law has been widely criticised because it gives the Democratic Party the power to ostracise its opponents without due judicial process.

Such remarks have been a major morale-boost for Mr Berisha, who has spent much of the election campaign painting himself as the man to take Albania into the European mainstream while denouncing his opponents, the Socialists, as unrepentant Communists. What is more, Albanians depend on foreign aid and may be inclined to vote for the Democrats against their instincts if they feel that they will receive bigger handouts that way.

The floor leader of President Chirac's RPR in the French Senate, Michel Pericard, actually broke Albanian law by supporting the Democratic Party once the campaign had begun. Article 56 of the electoral law states that "election campaigning is prohibited by persons who are not Albanian citizens".

Europe's support for Mr Berisha appears to be something of an unholy compromise. They are prepared to overlook his repressive tendencies (arguing that the Socialists may be no better) and instead reward him for staying out of the Yugoslav wars and for keeping a lid on ethnic tensions involving Albanians in Kosovo and Macedonia.

Furthermore, although there is tacit recognition that his economic policies are more clientist than free-market, the feeling is that Mr Berisha understands Western interests and is beginning to open up the country to foreign investors.

The problem with the Socialists is not so much that they would make life harder for foreign banks and businesses, but that they might question the legality of projects now being initiated and provoke delays by replacing ministry officials.

Agencies providing billions of dollars in foreign aid feel the same way. "We have spent a long time trying to get things going and forming personal relationships with key people. This would be absolutely the worst time for a change of government, as we would have to start over from scratch," said one Italian EU project worker.

Such calculations are infuriating the opposition, which claims to be just as responsible on Balkan issues, just as open to Europe if not more so, and says it would do everything it could for a smooth transition. "It is a big mistake for foreign powers to judge us from the point of view of their interests. The real interest is the future of our democracy, which they should seek to develop, not destroy with their interference," said Paskal Milo of the centre- left Social Democrats.

The United States, which provided overt financial and political support for Mr Berisha at the last elections in 1992, has been slightly more even-handed this time. Washington believes the Socialists are indeed committed to peace in the Balkans, but may scare off foreign investors.

European and US diplomats all seem to be remarkably indulgent of Mr Berisha's leadership style, variously describing the disqualification of scores of opposition politicians as "a human rights problem, not an electoral problem".

"One wonders if they would speak the same language if the Socialists were in power," remarked one foreign non-diplomatic official in Tirana. "Somehow, I doubt it."

Albania: Berisha Presents PD's Assembly Candidates in Gjirokaster

AU1405172296 Tirana ATA in English 1820 GMT 12 May 96

[Report by A. Keko, Sh. Hajno]

[FBIS Transcribed Text] Gjirokaster, May 12 (ATA)—President of Albania Sali Berisha visited Gjirokaster district, southeastern Albania, today. Berisha had meetings in Libohove, Sofratike of Dropull i Poshtem, Haskove, Lazarat, and Mashkullore. In these meetings, President Berisha presented the candidates for deputy of the Democratic Party [PD], Fatos Beja and Sadik Bejko, in those zones.

Speaking in the meetings, Berisha focused on the achievements of the past four years, laying the stress on the fact that Albania was transformed into a country of surprising success, as foreign analysts have qualified it.

Later, Berisha spoke about the PD program for the coming four years stressing that our most major objective is welfare and a rapid economic growth. "If we analyse what we have attained," said Berisha, "we all have enough reason to feel proud. I assure you that our pledges will be realised."

Regarding the question of organized emigration, Berisha stressed that no country in Europe has accepted organized emigration from one country to another because all Eastern Europe opened at the same time. But, he added, lately we have agreed with the Greek and the Italian Governments to sign an agreement of seasonal emigration.

Regarding the objectives of the red front, Berisha said that it is presently directed by a group of terrorists who have ordered the killings of youngsters on borders, they have organized arsons and planned other evils in Albania. "They," said Berisha in the meeting, "are today amidst greatest isolation, they have no future and can never be reformed."

In the meeting in Sofratike, Berisha spoke of the achievements of Albanian democracy in the past four years, the successes reached in the minority too, and highlighted the relations with our southern neighbour, Greece.

"Our relations with Greece are very good," said Berisha. He evaluated the politician Papoulias as a friend of Albania and focused on the contribution of the two present governments for the consolidation of the relations of friendship between the two countries. In this regard, he said that the signing of the Treaty of Friendship and Cooperation was an important act for the consolidation of these relations. Further on Berisha appreciated the investments made upon the initiative of the free individuals in Dropull considering them as fruits of democracy.

In Haskove village, Berisha cut the inauguration ribbon which marked the beginning of the construction of the regional aqueduct which will supply with running water three villages.

Albania: Berisha Urges Tirana, Durres Voters To Choose PD

AU1505131396 Tirana ATA in English 1052 GMT 15 May 96

[Report by F. Nikolla]

[FBIS Transcribed Text] Tirana, May 14 (ATA)—President of the Republic of Albania Sali Berisha reiterated today that "Democratic Party's [PD] alternative is the alternative of truth and future," a thesis he supported with PD's serious programme for the next four years.

Berisha considered this programme "the programme of Albania's welfare, economic growth, security and integrity into Europe."

In his today's meetings in Peze, Shkoze, Krrabe, and Ndroq of the Tirana district and in Shijak and Maminas of the Durres district, Berisha said May 26 elections "separate history."

Berisha promised the people of Shijak who had filled the city's main square the improvement of the living standard, a new infrastructure, enlargement of the telephone network, restructuring of schools, hospitals and other institutions.

"If the '92 elections separated systems, the May 26 elections separate history," he said.

Berisha guaranteed the Kamez inhabitants that the democratic government would support its town planning as a center of free movement.

Berisha also met with miners of the Krrabe small town in the Tirana district. "The PD programme envisages the restructuring of your mine, the improvement of the living conditions and infrastructure, the doubling of the students' number in this very important zone for our industry."

Berisha also met with the electorate of constituencies 50, 52, and 44 of Tirana.

He called on the inhabitants of these constituencies to turn the remaining days into campaigns for the Democratic Party, which is "the alternative of the future."

Berisha guaranteed them that "like in the last four years during which we restructured 70 per cent of the Democratic Party structures," in the next four years "recovery will continue to be the motto of the Democratic Party."

Berisha called on the inhabitants of these areas, who were in large numbers, to vote for the candidates for deputies to the next parliament.

Albania: Berisha Presents PD Candidate to Tirana Students

AU1505134896 Tirana ATA in English 1151 GMT 15 May 96

[Report by A. Sakja]

[FBIS Transcribed Text] Tirana, May 14 (ATA)—President of the Republic Sali Berisha told today thousands of students that his contract with students was eternal. Although included in the agenda, the gathering of thousands of students and teachers and their enthusiastic reception deviated the president's meetings programme, leading him to the "Demokracia" [Democracy] square, where four years ago started the democratic movement which toppled the dictatorship.

"Gathered like in December 1990, we are determined more than ever to defend the ideals of the great December," teacher Pellumb Celo, said on behalf of the then generation of teachers, who backed up the students' movement that lead to the overthrow of dictatorship. He expressed belief in the triumph of the Democratic Party.

Evoking the events of historic December of 1990, Berisha took pride in the Albanian students' deed and the Tirana University, "among the newest in Europe which had been projected as a Marxist-Leninist fortress and was formed as the temple of freedom for the Albanian nation."

He appreciated the fundamental role the university has played in all the qualitative developments in Albania and stressed that "it was the students and teachers those who turned into experts, designers, and applicators of the PD programme."

The Democratic Party, founded through students' efforts and movement for democracy, as the first opposition party, is today a member of the two European most powerful democratic formations: EDU and EUCD.

Berisha also familiarised the participants with the PD objectives for the four years to come.

Later, Berisha presented the candidate for the PD deputy in the constituency including the Student's Campus, the director of the Arts Gallery, painter Alush Shima.

Albania: Socialist Party Alleges Electoral Law Violations

AU1405193296 Tirana ZERI I POPULLIT in Albanian 11 May 96 p 2

[Statement by the Presidium of the Socialist Party issued in Tirana on 10 May: "The Democratic Party and Berisha Are Compromising Free, Democratic Elections"]

[FBIS Translated Text] The Socialist Party [PS], with a clear program and a concrete, up-to-date electoral platform, represented by a team of deputies of quality and by intellectuals, began its impressive electoral campaign of "Spring 96" throughout Albania a few days ago.

From Kukes, Lezhe, Burrel, Kruje, and Diber in the north to Vlore, Gjirokaster, and Sarande in the south, from Durres to Korce, in Fier, Librazhd, Kucove, Skrapar, Mallakaster, and Elbasan, and throughout Albania, the message of its meetings has been that the PS will win convincingly on 26 May. The campaign of the PS is being conducted as a popular movement, brimming with optimism and enthusiasm under the leadership of a highly popular team that is clearly challenging the tepid, flaccid, and forced campaign of the Democratic Party [PD], whose concerts can only promise pretty mannequins.

Faced with defeat, unprepared to hand over power in a democratic fashion, and unable to confront the PS campaign, the PD, led by Berisha, has appealed to various branches of the state, corrupt officials in the administration, and incriminated police chiefs and National Intelligence Service [ShIK] officers to stage provocations, to create a climate of terror and manipulation, to disturb the peace, and to obstruct the conduct of free and democratic elections.

Among the main violations of the Electoral Law, we mention:

1. On the basis of Article 21 of the Law on People's Assembly Elections, electoral rolls "must be published no later than 30 days before the election," i.e., no later than 26 April 1996. As of today, 15 days after the legal deadline, the electoral rolls still not been published in about 25 districts of the country. In some cases, they have been published with many inaccuracies and omissions and have not been put at the disposal of the electoral participants, as required by Article 28 of the Electoral Law.

2. On the basis of Article 39, "the constituency commission approves and announces the composition of the polling center commissions no later than 25 days before the election," in other words, no later than 1 May 1996. There is evidence of many cases in which the constituency commissions are not functioning normally and have not announced the locations of polling stations, or have placed them in the homes, private stores, or kiosks belonging to members or declared activists of the PD. There have been cases in which the chairmen and secretaries of constituency commissions have intentionally not been present during the normal working hours of the commissions; moreover, this has occurred precisely on the evening of the deadline for submitting the names of the members of the polling station commissions.

3. According to Article 58 of the Electoral Law, "the Finance Ministry is charged with issuing regulations to raise, use, and control the allocated funds." Now, 15 days before the elections, the amounts of these funds have still not been decided, and the financial resources for the conduct of the electoral campaign, which are required by the law, have still not been made available.

4. On the basis of Article 44 of the Electoral Law, "the meetings of the electoral commissions are valid when they are attended by more than one-half of their members. Decisions at these meetings are made by a majority of votes." In many cases, the chairman and the secretary of the commission, who in all cases belong to the PD, make decisions only with the participation of the PD members of the commission, without providing advance notice of the meeting to other members of the commission who express the interests of opposition forces. Observers have not received notice to attend any commission meetings.

5. On the basis of Article 55 of the Electoral Law, "candidates and electoral subjects have the right to use propaganda materials such as slogans, notices, pamphlets, etc.... It is forbidden to damage them before the end of the campaign...." The local government authorities in many districts have still not designated spaces for the public display of the parties' posters. Meanwhile, there are many cases in which local government officials, members of the PD, have required and even organized the removal of the PS's propaganda and flags.

6. There have been cases in which the police have created obstructions or caused serious incidents with the purpose of disrupting meetings between PS candidates and the voters.

At 1600 [1400 GMT] on 2 May 1996, the police of the town of Berat violently intervened on private premises at Ura Vajgurore and, after dispersing those present, detained for several hours Fadil Nasufi, the candidate for deputy.

On 2 May 1996, police detained PS activist Genc Luljafor 30 hours for no reason.

On 3 May 1996, a most serious incident occurred in the town of Burrel, where plainclothes policemen and personnel from the rapid deployment units, upon the orders of police chief Alfred Haxhiu, attempted to prevent a meeting and threw stones at the deputies, breaking car windows, seriously injuring one driver and the chairman of the Eurosocialist Youth Forum [FRESSh] for Mat District, and beating up a PS supporter.

On 3 May 1996, ShIK personnel detained and abused the chairman of the PS organization of the village of Krine because he had PS propaganda material in his bag.

On 4 May 1996, the police detained Avdul Cane, member of the Managing Committee of the PS for Vlore District, in the city of Vlore.

On 5 May 1996, two young people who were attempting to write electoral slogans were detained by the police in the city of Korce, and firearms were used against them, at a time when slogans in favor of the PD and Berisha can be seen everywhere throughout the country.

On 5 May, three PPSh [former Albanian Workers Party—as published] activists were manhandled by the police in the town of Rrogozhine for having attended a rally.

On 6 May, plainclothes policemen removed from the walls and tore up all the propaganda of the PS in the town of Lezhe. Three activists of the FRESSh were detained and manhandled by the police and by police chief Luigj Alia himself.

On 6 May, the police manhandled eight people in Kurbin before and after the PS's meeting with its candidate.

On 7 May 1996, the police brutally intervened and attacked a PS supporter who was calmly entering the sports hall to attend the PS rally in Vlore. As a result of his inhuman beating, this person is now in serious condition in the intensive care unit of the hospital of the city of Vlore. The police also manhandled the three Koci brothers because they were PS supporters. There are so far more than 30 people who have been detained and abused by the police.

7. In several districts, the police have raised obstacles to securing premises to open the election campaign. This happened in Vlore, where the police quite illegally

refused to allow the electoral gathering requested for 5 May.

8. The state media's reporting of the electoral campaign is entirely in favor of the PD. In many cases, although application has been made to the Radio-Television three days in advance, no camera team has come to report PS activities. The activities of the PS are often reported in a truncated fashion, and attempts are made to use montage in order not to show the enthusiasm of those present. The president of the Republic, in his role as leader of the PD's electoral campaign, and the prime minister are using the television for electoral purposes in an illegal way, regardless of time limits. Although the Central Electoral Commission set down 26 May [date as published] as the date on which electoral forces would begom to put forward their programs or electoral platforms, this commission has still not done anything 16 days later. The Radio-Television has not broadcast a single program for the instruction of the voters in the elections down to the present day, about 15 days before the election.

9. On the basis of Article 56 of the Electoral Law, "persons who do not have Albanian citizenship are forbidden to participate in the election campaign." The case in which a French deputy appeared at Berisha's side was a flagrant violation of the Electoral Law. The failure of the Central Electoral Commission to denounce this fact, despite the demand of the Socialist members of the commission, shows this commission's total dependency on Berisha.

Such scenarios of violence, devised in the PD's offices or in the holiday villas of the party's leaders, have fortunately so far failed, thanks to powerful popular support for the PS leaders and their cool heads. But they are all illegal acts that jeopardize the normal conduct of free and democratic elections in Albania. The government and, in a direct manner, Berisha himself, carry and will carry responsibility for the failure to organize these elections according to the law and for creating a situation of tension and opportunities for manipulation.

All the members and supporters of the PS, the entire opposition electorate, and even the majority of the Albanian electorate are calling for free, honest elections and are prepared to defend every free vote. Those who are afraid are the officials in charge of incriminated elements. We are fully convinced that they will fail, even though now and then and here and there they may brandish their truncheons and even guns.

On this occasion, the PS promises all Albanians once again that it is in favor of a free and honest campaign without tensions or manipulation in which all the various options and alternatives will compete, and in which all participants in the elections will be in a position to meet and talk to the electorate. We do not provoke anybody, nor do we permit provocations. We do not manipulate, and neither do we permit manipulation!

The PS calls on all its members and supporters, and on the entire Albanian electorate in general, to dissociate itself from all the acts of violence and terror of incriminated elements and to contribute to the conduct of free and democratic elections.

The PS assures the Albanian electoral that all its sections are organized and ready, in accordance with the laws and the principles of democracy, to protect the free vote of the people and the indisputable victory of the PS and the opposition in the forthcoming elections.

The PS also calls on all honest employees of the administration and on all honest and upright policemen not to fall prey to the passions of certain incriminated people of Berisha's clan. All those who will properly ensure the normal conduct of the elections through the enforcement of the law will enjoy the support of the PS. The PS has denounced and will continue to denounce all acts of violence and their perpetrators to the responsible organs of justice and to international organizations.

The PS, concerned over the development of free and democratic elections in Albania, will address all international organizations and the governments of the democratic states of Europe and of the United States over all the violations that take place. Meanwhile, the PS issues the guarantees of a political force that is securely advancing toward power.

Albania: PSD Protests Radio-Television's 'Disinformation'

AU1405202496 Tirana POLI I QENDRES in Albanian 14 May 96 p 3

[Letter from PSD spokesman Plator Nesturi to Qemal Sakajeva, director of Albanian Radio-Television, in Tirana on 13 May: "If the Disinformation Continues, the Social Democratic Party Will Sever Relations With the Radio-Television"]

[FBIS Translated Text] To Mr. Qemal Sakajeva, director of Albanian Radio-Television, and all the newspapers.

The Social Democratic Party [PSD], believing that fair, full coverage of the electoral campaign is a duty of Albanian Radio-Television [RTVSh], and having accepted the discriminatory amount of air time allocated to it for the coverage of its activities, has observed every condition in the hope that within the allotted time the journalists of the television would on this occasion reflect with professionalism the program and standpoints of PSD.

Unfortunately, we have noticed consistent outrages in the television's portrayal of the PSD's activities, which goes so far as to constitute disinformation of the public.

It was stated in the 2000 [1800 GMT] and 2230 newscasts on 12 May that PSD Chairman Dr. Skender Gjinushi did not hold his planned meetings in Kavaje District, which was a blatant untruth. We indignantly deny this disinformation and state that Dr. Gjinushi held meetings yesterday morning in the villages of Vorrozen and Luze i Vogel in Kavaje District and organized a meeting with the inhabitants of the town of Rrogozhine in the afternoon. As we know, RTVSh should be obliged to correct such a lapse in its program "Chronicle of Party Activities in the Election Campaign." But this is not an isolated case. The same thing happened in the case of Dr. Gjinushi's meetings at Paskuqan and Babrru in Tirana District. The television has also failed to report many meetings in different areas such as Memaliaj, Gramsh, and other rural districts.

We therefore draw the attention of RTVSh journalists and directors to the fact that the PSD will not permit any speculation at the expense of its activities, because the PSD conducts its own election campaign, and is not leaving it to the RTVSh. The Radio-Television is obliged to reflect faithfully and realistically the program and standpoints of the PSD on different issues, and not to distort or to disinform.

Under these circumstances, if the directors of RTVSh do not take appropriate measures to correct this extremely disturbing situation, the PSD will be obliged to sever all ties with the RTVSh as far as the coverage of its election campaign is concerned.

Albania: Press Reports Attempts To Set Up Private TV Stations

AU1405192196

[FBIS Report] The Albanian press carries reports on attempts to establish local private television stations.

Tirana REPUBLIKA in Albanian on 12 May carries on page one a 150-word report by Sokol Rexhepi, under the headline, "Turn Your Antennas Toward Shijak Television." The report states: "The private television station in Shijak will direct its signal at Tirana for three days. The inhabitants of the capital will have the opportunity to judge the six-hour program (one hour in the morning and five at suppertime) offered by this television station with one studio installed in the former House of Culture of the town of Shijak and another in Durres, with two video cameras and two journalists. To see the pictures from this first private (and illegal) television station in Tirana, you must use a UHF (group) antenna, like those once constructed by devotees of television to catch Belgrade's 'Second Program.' Those who still possess these antennas should direct them toward the castle of Petrele. Shijak Television is meanwhile waiting for modern equipment from Italy. There is still no law for private television stations in Albania."

Tirana KOHA JONE in Albanian on 12 May carries on page seven a 200-word report from Gjirokaster by Ilir Babaramo, under the headline, "The Police Obstruct 'Antena-Jug' Television Station." The report states: "The police have forbidden the transmissions of the television station called 'Antena-Jug' [Antenna-South]. The adventure of opening a television station in Gjirokaster lasted only one week."

"Several policemen went at midday the day before yesterday [10 May] to the studio improvised in the apartment of one of the station owners. They first sequestered the station's electronic equipment, then escorted to the Gjirokaster Police Station the proprietor of the first private television station in the south. Its managers report that they were asked for their license, which they did not possess, and were informed that they must stop their broadcasts, which were considered unlawful. The 'absence of a law on private electronic media' was the reason for the intervention by the police, one of the commissariat officers stated. While the equipment still lies under sequestration in the apartment-studio, the first attempt to establish a private television in the south has failed. This kind of initiative was first launched in Shijak and then in Lac, where broadcasting continues without problems."

Albania: Article Argues Need for Albanian-Owned Private Banks

AU1505083296 Tirana KOHA JONE in Albanian 14 May 96 p 15

[Article by "G.L.": "Private Banks—None Made in Albania"]

[FBIS Translated Text] Considering the role they play in a free market economy, private banks should have won their civil rights in Albania's financial life long ago. Privatization is well known to have been one of the pillars of the government's economic policy over the last four years. However, it must be admitted that, with the exception of tiny units, privatization has not proceeded at the desired rate during the last few years. The large factories remain unprivatized and are therefore not contribute to the country's economy. One might say that we are dealing with an inability on the part of the country's economic institutions to assess their prospects of becoming viable. Our banking institutions, which depend on the state, are not in a position to make such judgments and are therefore scared of giving them credit or contributing capital to their management. The most immediate consequence of this situation is evident in the phenomenon of unpaid loans. In 1995, the number of unreturned loans amounted to 32 percent of all loans granted to enterprises, firms, and private individuals. This is understandable, because the banks must necessarily possess the proper information, which, amid the chaos and in the absence of a national credit policy, is either missing or unreliable. Private banks, especially foreign banks with great experience, are able not only to secure this information but to sift through it and to draw the right conclusions about enterprises that need credit, to act as intermediaries in granting of credit, and also to participate directly in the management of enterprises. Especially during this period of transition, in which there is still a lack of capital markets, it is vital to connect the activities of the banks with the enterprises, thus releasing the state from the need to finance enterprises, something that the capital market can perform.

So far, six licenses have been issued for private banks, all of them foreign: five Greek and one Malaysian. It is striking that no Albanian company features on the list. This might be connected with the experience of the foreign banks, and some people might claim that there have been no applications from within the country. However, some Albanian firms have indeed submitted applications for licenses for private banks, and the average amount of capital at their disposal is several million dollars, not to mention one prestigious company whose capital is about $20 million, at a time when the largest of the foreign banks, the Tirana branch of the Bank of Piraeus, possesses capital of $5-6 million. The elimination of Albanian companies from the private banking system stifles the Albanian financial world. Moreover, considering the role of private banks in the country's economic development, Albanian companies will be obliged to operate within a very narrow scope as regards the management of the country's resources.

When private banks enter the game, the state will finally lose control over the exchange rate of the country's currency, and as a result its ability to act to achieve effects of a social character. Given this situation, it would be much easier for the state to exert pressure on Albanian companies than on foreign banking institutions.

Bulgaria: Petrov To Head National Security Commission

AU1505082496 Sofia Khorizont Radio Network in Bulgarian 0800 GMT 15 May 96

[FBIS Translated Text] General Lyuben Petrov [former chief of the general staff] is the new chairman of the National Assembly Commission on National Security. Some 89 deputies of the Democratic Left parliamentary faction, out of 113 who participated in the vote, voted for him. Georgi Yurukov received eight votes and Aleksandur Marinov received 14. There were two invalid ballots.

Bulgaria: Balkan Foreign Ministers To Meet in Jun

AU1005151496 Sofia Khorizont Radio Network in Bulgarian 1300 GMT 10 May 96

[FBIS Translated Text] The preparations for the meeting of Balkan foreign ministers are at a very advanced stage, Strakhil Chervenkov, head of the Foreign Ministry Southeastern Europe Department, said.

An expert meeting will take place on 17 May at which the preparation of the final document will be discussed. The meeting's agenda has already been determined. All the Balkan states except Slovenia will take part, and Croatia will participate as an observer.

The meeting will take place in Sofia in the first 10 days of June.

Foreign Minister Georgi Pirinski will visit France at the end of May, Foreign Ministry spokesman Panteley Karasimeonov announced.

Bulgaria: Trade Minister's Talks in Moscow Outlined

AU1505092796 Sofia 24 CHASA in Bulgarian 15 May 96 p 11

[Article by Anelia Buklova: "We Offer Moscow Goods for Gas"]

[FBIS Translated Text] Trade Minister Atanas Paparizov proposed that Moscow supply us with natural gas in exchange for Bulgarian goods. This became clear after the return of the delegation. The barter deal will be activated after the expiration of the Yamburg Agreement.

Mr. Paparizov pointed out that, at present, Bulgaria cannot pay in foreign currency.

Glavbolgarstroy proposed to do construction work in Russia to the tune of more than $200 million in exchange for gas supplies.

Differences in Russian and Bulgarian statistical data prevented the Russian partners from providing our trade minister with a list of goods whose tariffs they want us to lower in exchange for giving preferences to Bulgarian imports.

Sofia proposed to lower the customs tariffs for the Russian goods in exchange for a reciprocal step on the part of Moscow.

Bulgaria now figures on the list of developed countries and pays high tariffs for the goods it exports to Russia. Sofia insists on our transfer to the list of developing countries.

Upon his arrival, Minister Paparizov announced that, as of tomorrow, the developing countries, which used to pay 50-percent-lower tariffs, will begin to pay tariffs that are only 25 percent lower. This is a result of changing the customs preferences, Minister Paparizov said. He thinks that this change will make the talks with Moscow on lowering the tariffs for the Bulgarian goods easier.

During the meeting with the director of Atomenergo, our trade minister asked that the draft on the reconstruction of the first four reactors of the Kozloduy Nuclear Power Plant in the next few days be specified, in order to seek the $400 million loan that is needed to implement the project.

A joint company producing Bulgarian cigarettes has begun operations in Astrakhan. The plant in Kaliningrad will begin operations soon.

The Russians maintain that the delay in activating the joint enterprise in Tver is a result of obstacles created by the Bulgarian side. Paparizov has promised to investigate the case.

Bulgaria: Politics Behind Moscow's Reluctance on Tariffs

AU1505092696 Sofia KONTINENT in Bulgarian 15 May 96

[Commentary by Georgi Velikov: "Tariffs as Politics"]

[FBIS Translated Text] The talks between Moscow and Sofia on reducing customs tariffs have again become bogged down in red tape. Despite the protocol on the two countries' intentions that was signed in mid-March, the Russian bureaucrats have invented a plausible justification for their unwillingness to give Bulgarian companies the same opportunities they have given to South Korea, for example.

The explanation could be both economic and political. On the one side, Russia does not have a special interest in lowering tariffs for Bulgarian goods in exchange for reciprocal benefits. The average tariff for Bulgarian goods imported into Russia is about 30 percent, while Russia pays only 10-15 percent for its exports to Bulgaria. The result—a sharp drop in Bulgarian exports to Russia and a negative trade balance of about $830 million.

From a political point of view, Moscow's shilly-shallying is a cat-and-mouse game. Bulgarian goods are not capable of competing in the European markets, and so the country is interested in returning to the Russian markets. Sofia is practically forced to hover in Moscow's orbit also because of its economic interests. The issue of giving or not giving tariff preferences appears to be a matter of politics rather than an economic decision.

Bulgaria: EU Official Insists on Decision on Reactor

AU1505121496 Sofia DUMA in Bulgarian 15 May 96 p 5

[Article by Veselka Marinova: "West Wants To Decide Fate of Kozloduy No. 1 Reactor"]

[FBIS Translated Text] DUMA learned yesterday that Hans van den Broek, EU commissioner for central and eastern Europe, has sent a letter to the Bulgarian Government in which he insists that Western, not Bulgarian, experts should make the final decision on whether the No. 1 Reactor Unit at the Kozloduy Nuclear Power Plant should be taken out of service. Specialists comment that this demand runs counter to all international and legal norms in the nuclear energy field. The decision whether to operate or close down a nuclear plant is the prerogative of the country that operates the nuclear facilities, the experts added. They claim that if we do not agree with the demands set out in the letter, we might not receive the money promised for shutting down the No. 1 Reactor Unit.

The Energy Industry Committee has announced that the No. 1 Reactor will cease operating as of today to allow specimens to be taken of the metal of the reactor shell, after which a decision will be made on whether the unit can continue in service until the end of its design operating period or be shut down. As is well known, following the completion of tests last autumn, the Bulgarian Government decided that the unit should be operated during the current fueling period. Europe accused us of operating the most dangerous reactor and asked us to shut it down. We agreed to shut down the reactor for further tests after the unit had completed its 230 hours of service. We are supposed to receive ECU 10 million as compensation for closing down the unit, a further ECU 7 million under the PHARE [Economic and Reconstruction Aid for Poland and Hungary] Program for 1995, and ECU 6 million under this year's program. Bulgaria will ask for a further ECU 4.5 million for shutting down the unit early on 15 May in response to the EU demand.

By prematurely shutting down the No. 1 Reactor Unit before it has expended its fuel, Bulgaria is losing about $5 million, but the EU has refused to grant the promised ECU 4.5 million. The argument offered by the rich countries was that we did not apply for the money in time. The EU is attempting to decide the fate of the other three 440-megawatt reactors without consulting us, specialists point our.

We want $400 million from the Russians for reconstructing the first four units at the Kozloduy Plant. Bulgaria proposes setting up a consortium of companies from Bulgaria, Russia, and third countries to carry out the reconstruction.

Talks are in prospect between Russia's Atomenergoremont and Bulgarian companies on whether this amount is sufficient to complete the reconstruction. Following his return from Moscow yesterday, Trade Minister Atanas Paparizov said that he presumes that such an agreement will be approved at the government level after it has been established what equipment has to be supplied and how the loan can be drawn up.

Bulgaria: Kozloduy Reactor Said To Operate Until Jun

AU1405085596 Sofia DEMOKRATSIYA in Bulgarian 14 May 96 p 14

[Article by Velina Todorova: "Kozloduy's First Reactor Will Not Shut Down in May"]

[FBIS Translated Text] On 13 May, a source in power supply circles who requested anonymity, said that the first reactor of the Kozloduy Nuclear Power Plant will not be shut down on 15 May. This means that the Committee on Power Supply has decided to keep the reactor operating until the entire quantity of nuclear fuel has been used, people who knew said. The Committee on Peaceful Use of Atomic Energy has not objected, because the permit it issued for the activity of the first reactor specifies 230 days. This term will not end on 15 May.

The reactor will most likely be shut down by mid-June or a bit later for the upcoming tests of its structure, well-informed sources say.

The statement that the first reactor will function until June is a sign that the EU has not responded positively to the compensation request of the Bulgarian Government. According to Bulgarian experts, the direct and indirect losses from the unproduced and unsold electric power and from removing the unspent nuclear fuel and storing it will amount to $5-6 million. The compensation requested by the government also included aid for the Ruse and Varna thermoelectric plants.

Bulgaria: Kozloduy Ordered To Shut Down First Reactor

AU1405152696 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 14 May 96

[FBIS Translated Text] The Kozloduy Nuclear Power Plant has received an order from the National Electricity Company to shut down its No. 1 Reactor Unit. Work will start after 2000 hours tomorrow to close down the 440-megawatt reactor and disconnect it from the national power grid.

In actual fact, the No. 1 Reactor Unit may continue to operate until 15-20 June, specialists at the nuclear plant claim. Calculations show that the country will lose about 300 million kilowatt-hours of electricity from the premature disconnection of the reactor. The reactor's disconnection is required because of our country's commitment to the West to carry out additional tests of the metal of the reactor shell.

As yet, it is not known what compensation we will receive for this, sources at the Kozloduy Plant say.

Bulgaria: Cabinet Considers Leasing Out Belene Reactors

AU0605141096 Sofia STANDART NEWS in Bulgarian 4 May 96 p 11

[Article by Mariya Andonova: "Government Considers Granting Leasing Concession for Belene Nuclear Plant Reactors"]

[FBIS Translated Excerpt] Some of the reactors at the Belene nuclear power plant may be leased out by granting a concession. The Concessions Department of the Council of Ministers is discussing this possibility, the department's chief Nikolay Minkov announced yesterday. We are preparing a list of potential installations for granting concessions, Minkov said, and we will hand it over to the ministry departments concerned for them to decide which of them are justified. [passage omitted]

Bulgaria: Russian Institute Hands Over Project for Belene

AU0605105496 Sofia TRUD in Bulgarian 6 May 96 pp 1-2

[Unattributed report: "Russia Hands Over New Project for Belene Nuclear Power Plant"]

[FBIS Translated Text] The Russian Atomenergoproyekt Institute has handed over to the Energy Industry Committee an initial project for completing the construction of the Belene nuclear power plant, the committee informed TRUD.

"I hope that building will start next year," Energy Industry Committee Chairman Konstantin Rusinov said at the weekend at the Jubilee Technical Conference held in Belene to mark the 10th anniversary of the setting up of the Marie S. Curie Technical School for Nuclear Power. On 24 April, a council of experts approved the Atomenergoproyekt project.

The main proposal in the project is to retain the 1,000-megawatt reactor that was envisioned in the 1980 project. Technical measures are proposed for completely updating all the unit's systems. The alternative proposal of reducing the design output of the reactor from 1,000 to 600-640 or 500 megawatts has been dropped. The aim is to make the maximum use of the capabilities of the Russian WWER-1000 reactor that had already been delivered, while ensuring that the modern safety requirements are satisfied by using Western automated systems.

Bulgaria: Text of BSP Decision on Structural Reform

AU1505095896 Sofia DUMA in Bulgarian 15 May 96 p 7

["Decision of the BSP Supreme Council and Democratic Left Deputies on Conducting Structural Reform in the Business and Banking Sectors"]

[FBIS Translated Text] With a view to effecting a structural reform of our national economy as the main means of preventing a lasting exacerbation of the economic situation, the Bulgarian Socialist Party [BSP] Supreme Council and the socialist deputies decided:

The analysis and conclusions of the report "The Structural Reform of Our National Economy and Measures for the Financial Stabilization of Business and Banking Sectors," read by Zhan Videnov and Nikolay Koychev, have been adopted. The measures proposed in the report have been supported as follows:

I. For Restructuring the Business Sector and Financially Improving the Economy

1. The BSP Supreme Council and the Socialist deputies support the government and the adoption of measures aimed at discontinuing the activity of economically unviable trade associations.

The decision on closing those enterprises must be adopted in a dialogue with their leaders on the basis of an assessment of their current losses; their obligations to banks, the budget, and the state social security; their technological state; their technological relations with other enterprises; the market possibilities; the national security interests; maintaining the material balances; and regional development.

2. The BSP Supreme Council and socialist deputies recommend that the government, simultaneously with preparing the 1997 budget, should work out programs that outline the structure of our national economy and ensure an improvement of the investment climate, create new jobs, stimulate exports, support national production, improve administrative efficiency, and perfect the fiscal policy.

They instruct the relevant organs of the BSP Supreme Council to participate actively in working out the comprehensive politica' concept of the structural reform.

3. The workers and specialists who will be released as a result of discontinuing the activity of the trade associations should be paid additional compensation within the scope of the labor wages and other payments they receive, as well as the mandatory compensation in accordance with the Labor Code.

In addition to utilizing the existing possibilities for encouraging employment and protecting the unemployed, regional and national programs of socioeconomic development must be prepared. Those program must provide additional possibilities for finding employment for the workers and specialists.

4. The problematic enterprises must be directed toward a rapid privatization and the sale of stocks and shares. The possibility must be ensured for the banks to rapidly exchange the debts of those enterprises for their stocks and shares. Protection measures related to the national producers must be introduced and coordinated with the international agreements to which Bulgaria is a party.

II. For Developing Mass and Cash Privatization

1. Conditions must be created and actions initiated for attracting foreign investments by proposing for privatization (in combination with concessions) important objects of our industry and infrastructure (including telecommunications) and creating the necessary legal preferences for the foreign investors.

2. The popularization of mass privatization must be improved, as well as the activity of units through which the citizens could participate in the first round of the privatization during the second half of 1996.

3. The cash privatization must be accelerated by utilizing the possibilities for the participation of workers and managers.

III. For Stabilizing the Banking System and Foreign Currency Rate

1. The activity of the Bulgarian National Bank [BNB] and the banking control in general must improve decisively. The consolidation of banks must accelerate. Where necessary, individual banks must be liquidated with a view to stopping their decapitalization. For this purpose, a special government agency for collecting debts must be created.

2. The government, together with the BNB, must guarantee the savings of the citizens in the commercial banks by allocating the necessary means.

3. The government, together with the BNB, must make all efforts to service Bulgaria's foreign debt, including the adoption of measures aimed at creating better conditions for the export of Bulgarian goods and services, with a view to increasing the foreign currency revenue, increasing the state reserves, and stabilizing the lev currency rate.

4. The rules of refinancing the commercial banks must be improved, as well as managing the state reserves and strengthening the foreign currency regime, by ensuring a real and strict control over those processes.

IV. For Parliamentary, Party-Political, and Information Guarantees of the Structural Reform

1. The Democratic Left parliamentary faction must ensure the rapid adoption of the following more important bills submitted by the Council of Ministers:

—Amendments to the Banking and Credit Activity Bill

—The Bill on Guaranteeing Savings

—Amendments to the Privatization Bill

—The Bill on Encouraging Employment and Protecting the Unemployed

—The 1996 Privatization Program

—The list of enterprises to be privatized in 1996

—The decision on the 1995 BNB report and the membership of its leadership

2. The regional councils, municipal (and district) party organizations, and the basic party organizations, especially the interest clubs at the relevant economic units, must cooperate in implementing the tasks listed in the sections of this decision on the basis of information provided by the BSP Supreme Council and the government, and simultaneously, conduct a dialogue with the trade unions on the social problems, the problematic enterprises, and the possibility of developing trade union activity in the privatized enterprises.

3. The BSP Supreme Council chairman and prime minister is hereby instructed to report to the BSP Supreme Council on the results of the implemention of the structural reform in September and at the end of 1996.

Bulgaria: Gechev Denies Company Liquidations 'Unpopular'

AU1405183296 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 14 May 96

[FBIS Translated Text] When it concludes its agreement with the IMF and the World Bank, Bulgaria will receive between $700 million and $1 billion, Deputy Prime Minister Rumen Gechev declared at a meeting with BSP [Bulgarian Socialist Party] members and supporters. After the agreement is signed, the deputy prime minister added, we also expect to receive fresh money from other financial institutions.

The government has already been working for seven or eight months on preparations for restructuring the state companies, Gechev stated. He voiced his disagreement with the claim that the measures for liquidating and rehabilitating the companies are unpopular. When the lists were drawn up, he said, we took account of the economic, regional, and social factors, adding that there was no other alternative for Bulgaria's economy.

Bulgaria: Ministry: 'No Reason for Panic' Over Food Supply

AU1405171596 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 14 May 96

[FBIS Translated Text] The official position of the Ministry of Agriculture and the Food Processing Industry is that there is no reason for panic in connection with providing the population with bread, vegetable oil, sugar, and rice. The ministry has taken the necessary measures to supply the country's flour mills with the quantities of bread wheat that they need for flour production.

According to figures on last year's sunflower, with reference to the supply of the required amounts of cooking oil to the population, it emerges that there is a surplus of over 13,000 metric tons.

With regard to the available sugar stocks, it was announced that the sugar plants in Ruse and Gorna Oryakhovitsa have sufficient stocks of raw materials for processing. By the end of this month, 28,000 tons are to be shipped, and commercial firms have announced the availability of a further 96,000 tons.

According to the Agriculture Ministry's information, the retail distribution network has sufficient stocks of rice.

At the same time, our correspondents in Smolyan, Burgas, Silistra, Shumen, Blagoevgrad, Stara Zagora, Gabrovo, and Lom report problems with flour supplies.

Bulgaria: Possible Marinov-Videnov 'Confrontation' Analyzed

AU1505113596 Sofia STANDART NEWS in Bulgarian 15 May 96 p 7

[Commentary by Tatyana Braykova: "Zhan Conquered the Sofia BSP but Could Lose the Sofia Deputies"]

[FBIS Translated Text] Soon after Videnov conquered the Bulgarian Socialist Party [BSP] leadership, Aleksandur Marinov became a black sheep. Until that moment, what they had in common was much more than what used to draw them apart. Both were young, unburdened by the party's past, and sufficiently trained and intelligent. According to the rumor, both belonged to the same camp within the BSP—Lilov's camp. However, the Strategist [Lilov] played them in a different way. Videnov was necessary in order to stop [Foreign Minister] Pirinski's flight toward the top of the party, and therefore the party leader's post was offered to him on a plate. Aleksandur Marinov was left to share the implementation of Lilov's intellectual projects.

Videnov quickly took his fate in his own hands, however, and began to plan the BSP moves. Afterward, he tried, and to a large degree succeeded, to create his own circle within the party elite. By doing this, however, he isolated his old circle.

Later, he began to establish his own economic structures to provide backing to his political career. This is where he made a serious mistake because he enraged more people than he could afford. This is how he suffered his first serious setback. "Orion" [a major investment company believed to be associated with Videnov] is now up to its neck in problems with [Chief Prosecutor] Tatarchev, while Videnov's main enemy—Topenergy [joint Bulgarian-Russian oil and gas company] learned how to walk. It is already controlling a large part of the gas imported into Bulgaria.

Then there were several shocks within the party itself. There are members who are dissatisfied with Videnov, but no one is prepared to commit himself directly. The party opponents clarify that they have made remarks, but they are not Videnov's enemies. The BSP is fanatically preserving its unity. The most prominent party members who look askance at Videnov cannot afford to abandon their anonymity.

Both Lilov and Lukanov have little room to maneuver, and because of their past, they are forced to operate very carefully.

What happened to Aleksandur Marinov in the meantime?

Like Videnov, he also left his party parent and acquired his own weight in the innerparty political game.

Marinov adheres to a political philosophy for the BSP that differs from the one Videnov adheres to. If the current prime minister personifies the party's closure within itself and the stopping of the dialogue, Marinov is more flexible and definitely more modern.

He proposed First Private Bank President Ventsislav Yosifov as BSP candidate for the post of mayor of Sofia and thus violated the BSP's barricade behavior. Perhaps, the selection was not the most successful one, but it was indicative of the new thinking. Marinov's experiment failed, and this aggravated the already complicated coexistence with Videnov.

At the election's second round, Marinov allowed himself to publicly thank Sofia's members of the Civil Alliance for the Republic [GOR], thus offering a hand for the first time to the BSP's "prodigal sons."

It has been said about Marinov that he is closer to the "red cellular telephones," than to the "red grandmothers." The idea about the party of the "rightist" Socialists that Lilov dropped appears to be made to order for Marinov.

Marinov repeatedly allowed himself to criticize Videnov, and the party public did not like this. They suspected him of wanting Videnov's place. Therefore, they left him outside the BSP Supreme Council, which is strange for the chairman of the largest party organization. Even then, when he was told to be more careful, however, he preferred to be careless and used to mock Videnov, who closed himself within his own circle.

When the clouds over the prime minister's head thickened, Marinov became nervous.

The democratic institutions hide those who are pulling the strings, but the Sofia conference could not hide Videnov. The conference took place under his watchful glance and elected his man—Nikolay Koychev—who, as his career so far has shown, is a jack of many trades. Now, according to his own words, he brought a dowry to the BSP Sofia organization. Unlike Marinov, he is a member of both the BSP Supreme Council and the Executive Bureau. The BSP has already returned to its old terminology, and it is now restoring its old party structure, in which having one post serves as a recommendation for assuming another.

With his Sofia action, Videnov demonstrated two things—that he controls the apparatus and that he tends to be jittery. In addition, he demonstrated that he does not intend to make any compromises.

From now on, Marinov is not only dismissed, but also free. He lost the battle in the party, but the battle for the parliamentary faction is yet to be fought. Some 15 sufficiently angry deputies could put an end to Videnov's era. Those in the know think that this number was reached a long time ago. The only thing still missing is a leader who is prepared to provide a face for the entire group.

The question after the Sofia conference is whether Marinov is sufficiently angry. If he shuns the confrontation with Videnov, he will sink among the leftist deputies. On the other hand, he could stir the National Assembly, which, because of many political considerations, is gradually turning into a swamp.

Bulgaria: SDS Postpones No-Confidence Vote

AU1405171996 Sofia Khorizont Radio Network in Bulgarian 1600 GMT 14 May 96

[FBIS Translated Text] The Union of Democratic Forces [SDS] will not for the moment seek a no-confidence vote in the Videnov cabinet. The SDS National Coordinating Council passed this decision by a substantial majority at its meeting today. Bearing in mind that the economic situation is threatening people's survival, the producers are in a desperate state, the lev has lost its value, and the foreign currency reserves are melting away, and while not accepting that the parliamentary vote approving the appointment of a new interior minister represents any sort of vote of confidence in the government, the SDS National Coordinating Council has decided to launch an integrated attack to topple the government and to bring about and win early parliamentary elections. The campaign will be waged step by step, after holding political consultations with the other opposition parties and formations.

The SDS will also be asking the trade unions to work with it to form a united stand on the internal political situation. The SDS Parliamentary Group is instructed to submit draft resolutions to parliament for setting up commissions of inquiry into the bread and animal feed grain crisis, into the draining of the foreign exchange reserves and the problems with the domestic and foreign debts, a draft resolution on measures to fight crime, and a proposal that parliament should hear the prime minister on the government's intentions relating to the liquidation of companies, privatization, and the updating of the state budget.

According to SDS leader Ivan Kostov, today's decision still leaves the door open for the SDS to seek a no-confidence vote some time in the future.

Bulgaria: SDS Strategy on No-Confidence Vote Criticized

AU1505085696 Sofia KONTINENT in Bulgarian 15 May 96 p 4

[Commentary by Genka Markova: "Play With (No)-Confidence"]

[FBIS Translated Text] Yesterday, the main opposition force officially adopted a decision to conduct a "step by step" policy toward Videnov's cabinet, which will lead to eroding the government without having to resort to a no-confidence vote.

This fact is a unique characteristic of our country's political life. First of all, it shows that, at present, the opposition, in the person of the Union of Democratic Forces [SDS], does not want to attack the government because one of the possible consequences is that it would have to assume the responsibility for governing the country. Second, the regular voter is asking himself what precisely the opposition's role should be—to talk a lot about how imprudent and harmful for the state the steps of the rulers are or to propose its own remedies for overcoming the crisis? It appears, however, that, at present, the opposition sees itself in one role only—as a savior who arrives on a white horse in order to govern the country. Still, it appears that the salvation show was postponed for the time being because the opposition is anticipating a more suitable moment.

The politicians' game can be a profoundly calculated strategy—step by step, perhaps even thousands of moves could be planned a priori. However, our recent parliamentary history shows that the opposition was outtrumped in all no-confidence votes. Therefore, one should not be puzzled if it appears that the no-confidence vote as an instrument has become completely blunt.

Thus, today, when there is a general and justified reason to propose a no-confidence vote on the general rule of Videnov's cabinet, the opposition does not want to do a favor to the Bulgarian Socialist Party. However, with those imprudent and inarticulate arguments, the SDS faces the risk of gambling away the people's confidence in the opposition.

Bulgaria: DPS Official Views Differences With Dogan

AU1405122496 Sofia DUMA in Bulgarian 14 May 96 p 3

[Interview with Guner Tahir, deputy chairman of the Rights and Freedoms Movement and National Assembly deputy, by Zhivka Angelova; place and date not given: "It Is Not Only Young People Who Think Differently Within the DPS"]

[FBIS Translated Text] [Angelova] Mr. Tahir, is there any tension within the DPS [Rights and Freedoms Movement]?

[Tahir] In my opinion, if tension does exist, one cannot say that it developed recently. In principle, it existed before the parliamentary elections, but I think that the district conferences being held now and the forthcoming national conference will cause it to abate. Of course, if no decisions are adopted that are adequate to the political situation and the DPS's place in this situation, then the tension may increase. The national conference will be a test of whether the DPS leadership and the conference delegates are politically mature enough to adopt decisions to restore the situation in the party organization.

[Angelova] A conflict between the "old" and the "young" exists in the DPS. Does it have a political or economic basis?

[Tahir] There is no conflict on an economic basis within the DPS. In my opinion, it is of a completely different nature. Of course, the terms "old" and "young" are very relative, because the dissidents are not only young people. There are also people who are serving in their second or third parliament, and apart from this even the so-called young ones were among the movement's founders in 1990. I believe that the differences mainly lie in the ideas about how the DPS should operate as an organization, especially about how its regional structures and the headquarters itself should function. We should accept the existence of an internal opposition as a perfectly normal phenomenon.

I believe that the people who have been members of the DPS's central leadership from the very beginning are becoming divorced from reality in both their views and thinking. I consider that they are cut off from reality and from the DPS's organizational structures. The conflict stems from this. We, the so-called young ones, are seeking a way to escape from this situation, which has existed form more than two years. We will find it hard to win seats in the next parliament and to surmount the 4-percent barrier.

[Angelova] It is a well-known fact, is it not, that considerable friction exists between you and DPS leader Ahmed Dogan?

[Tahir] On certain issues, we have differences not only with Mr. Dogan, but also with other members of the central leadership, but these differences of views hardly amount to disagreement regarding the party's standpoints and decisions. I am one of those people who has his own viewpoint and position that in a given case may not coincide with someone else's, but I also think that this is normal and could not be otherwise.

[Angelova] Did you submit your resignation at Dogan's request?

[Tahir] Our mandate expires at the same time as that of the DPS leadership, which was elected at the second national conference, so that there can be no question of removing any of the deputy chairmen. I expressed my view long ago that eight deputy chairmen are too many for a small party like the DPS. For the leadership to work properly, it needs no more than three deputy chairmen at the most. Who these deputy chairman are and who is to be the chairman are matters for the DPS national conference to decide. If some of the present deputy chairmen lose their posts, if they are not elected, this does not mean that they have been thrown out, but simply that a new choice has been made.

[Angelova] Is Ahmed Dogan irreplaceable as leader?

[Tahir] No one is irreplaceable.

[Angelova] He has led the DPS for six years now.

[Tahir] One can never determine how long a person will remain leader of a party. The issue is to what extent a leader justifies the trust put in him by the people who elected him. Six years can be a long or a short time. It depends on who has fulfilled the role of leader and in what manner.

[Angelova] Under the DPS statute, Dogan himself can choose or dismiss anyone he wants whenever he wants....

[Tahir] I am one of the critics to the present statute. However, in the final analysis, we adopted this statute at a national party conference, so if we want to be angry with anyone, we should be angry with ourselves. We also voted for the statute, but had no opportunity to examine it in advance. The draft statute was distributed on the very day of the national conference. I hope that this time the draft will be distributed well in advance, so that we have enough time to study it, so that it can be said that the DPS is a democratic party.

[Angelova] What do you expect to happen at the DPS national conference?

[Tahir] It depends on to what extent the delegates express their own opinions. If they are people who are selected according to some principle and have no opinions of their own on the questions to be discussed, then we may get a kind of mechanical voting process without any decisions being adopted that can be implemented in practice.

Bulgaria: Electronic Media Remain Under State Control

AU1005130796 Sofia DEMOKRATSIYA in Bulgarian 10 May 96 p 1

[Staff report: "National Media Remain Under State Control"]

[FBIS Translated Text] Sofia (DEMOKRATSIYA)—In parliament yesterday, the second reading of the radio and television bill proceeded under strong pressure from the BSP [Bulgarian Socialist Party]. The Socialist members of the media commission had misled their colleagues from the opposition by telling them that this item should not be debated on the day's agenda. The SDS [Union of Democratic Forces] deputies decided to insist on a postponement of the debate on the National Radio and Television Council. The disputed passage concerned whether the council was to be a public body, as the opposition wanted, or under state control, as the Socialists insisted. From the speaker's platform of the National Assembly, Nadezhda Mikhaylova, deputy chairman of the SDS Parliamentary Group, proposed adjourning the second reading until a later occasion, pointing out that the bill is not in conformance with the decision of the commission set up to hold talks with the media representatives and also disregards the comments made by Council of Europe experts and National Assembly deputies on passages contained in the bill. Despite the arguments, the debate continued.

At the insistence of the SDS, the heads of Bulgarian National Radio, Bulgarian National Television, BTA, and Lyubomir Kolarov, chairman of the Posts and Telecommunications Committee, were invited to attend the debate. However, only Vecheslav Tunev [National Radio chief] and Lyubomir Kolarov appeared. Granitski [Bulgarian National Television director] appeared later, having deposited a letter to the deputies earlier, in which he declared his disagreement with the cumbersome structure of the National Radio and Television Council. The parliamentary majority established that the council is to be a state body for controlling the media. The SDS took no part in the discussion.

Czech Republic: Daily on 'Different Prospects' for NATO Entry

AU1505093496 Prague DENNI TELEGRAF in Czech 14 May 96 p 3

[Commentary by Marcel Pok: "The Different Prospects for Entry Into NATO"]

[FBIS Translated Text] The visit to the Czech Republic by the supreme commander of NATO forces in Europe, General George Joulwan, is another positive confirmation of the Czech Republic's endeavors to enter the alliance. According to information from a source close to NATO's supreme headquarters in Mons (SHAPE), the admission of the Czech Republic, Poland, and Hungary—and possibly also Slovenia—into the alliance can be envisaged in the course of the next three years—that is, before the end of the century. The talks in the U.S. Congress, which arrived at a similar premise in the first quarter of this year, also support this geopolitical hypothesis.

As with the expansion of the European Union by other states, which, it seems, according to the statements made by some politicians, will be a so-called two-speed expansion, it is also possible to assume that the same will apply to NATO enlargement. Namely, certain countries, in both the Balkans and to the east of our borders, are still not sufficiently ready to bear on their shoulders the political, economic, and military responsibility that membership in NATO will bring.

Slovakia could be an example. It is lagging behind more and more economically, and the political folklore of the Movement for a Democratic Slovakia is also not contributing to the development of a democratic environment. The abduction of the president's son, the restriction of minority rights, the obvious lack of transparency in privatization, and the most recent excess involving the explosion of the car belonging to a witness to the Kovac Jr. kidnapping do not contribute to Slovakia's credibility on the foreign scene. No one has yet substantiated absolutely all of the suspicions that arise in connection with the aforementioned issues, and, unfortunately, apart from politically motivated retorts, none of the authorities has refuted them. These domestic political developments, accompanied by foreign demarches, place Slovakia on the sidelines and may lead it into a far greater dependence on Russia than would be healthy for Europe.

Czech Republic: Holan on Successes, Failures of Term of Office

AU1505090696 Prague DENNI TELEGRAF in Czech 11 May 96 p 3

[Interview with Czech Defense Minister Vilem Holan by Ferdinand Peroutka; place and date not given: "The Continuity of Security Policy Will Be Preserved"]

[FBIS Translated Text] [Peroutka] Mr. Minister, as we approach the end of your period in office, do you have a feeling of relief, of a job well done, or do you feel that there is a backlog of uncompleted work? What do you consider to be your department's successes and, vice versa, its failures?

[Holan] I have the overwhelming feeling of a job successfully completed. We have managed to complete the first phase of the Army's transformation, we are introducing NATO standards successfully into military life, and the troops' training and their activity within the IFOR [Implementation Force] peacekeeping mission are exemplary. Cooperation within the framework of the Partnership for Peace and with the NATO states is on a very good level—the exercises conducted to date merely underline this. Despite this, we have not managed to fulfill all of the tasks regarding, in particular, the grounding for the soldiers in basic service and for the career soldiers. In view of the lack of funds, certain types of forces have trained less than would be desirable.

[Peroutka] What would you do differently today?

[Holan] I would probably have set up the social affairs section earlier. The accommodation sphere and matters relating to housing for career soldiers in particular are so grave that they necessitated directly the establishment of this section.

[Peroutka] Have you at least managed to partly overturn the army pyramid of ranks from the apex to the base?

[Holan] Overturning the pyramid is, in essence, being staggered over a period of 10 years; this means that we have to complete one-tenth of this work every year. We worked off this one-tenth last year, and we are carrying on with it this year. For example, this year I have promoted only 17 lieutenant colonels to the rank of colonel. We proceeded in the same vein last year; there were only a little over 20 new colonels, while far more people were promoted previously. As far as the generals are concerned, we now have just 24 of them in active service throughout the Army. This is roughly three times fewer than four years ago. Only two men have been made generals this year. One of them is Colonel Jiri Sedivy, the commander of the Czech contingent in the IFOR mission, and the other is Colonel Jiri Martinek, deputy chief of the General Staff for operational matters.

[Peroutka] How is the other side of the pyramid being strengthened—the warrant and noncommissioned officer corps?

[Holan] This is, of course, far harder than reducing the number of senior officers. We are setting up recruitment centers this year in some district military administrations to obtain people for the warrant and noncommissioned officer functions, and we are beginning to devote a great deal of intense attention to this. Filling these posts is today a far greater problem than filling the officers' posts.

[Peroutka] Your department is criticized for being unable to submit an analytically compiled Army concept for the years to come...

[Holan] It was completely different with the concept than it was made out. The concept for the Czech Republic Army for the years 1993-96, discussed by the government three years ago, was still valid for 1996. In principle, the Army could continue in the direction already begun. Despite this, we outlined certain hypotheses, and we very much hoped to inspire a broader expert discussion. But we did not manage to achieve this.

[Peroutka] The decision on modernizing the supersonic Air Force has been in the government's hands for some time, but, obviously, it will not make a decision before the end of its term of office. Is there a risk of a delay?

[Holan] As long as the government and parliament approve the modernization right after the elections, it will not be so late. If they procrastinate, there is a risk of this.

[Peroutka] What do you say to the alarming rumors about the alleged links between four General Staff officers and General Miroslav Vacek, the post-November [1989] defense minister and a current Communist Party of Bohemia and Moravia election leader? Will you look into this?

[Holan] I view this as an "alarming" report. But, if there were even a hint of the violation of the law or military regulations, I would deal with this matter.

[Peroutka] It has been suggested several times that the Civic Democratic Party is interested in running the defense department. Do you think it is possible that the Christian Democratic Union-Czechoslovak People's Party would relinquish this post in the next government, or do you think it would be better if it holds it?

[Holan] Most of the work was put into transformation recently, and its results will manifest themselves favorably in the near future. I would like the continuity of the national security policy we have embarked upon to be preserved.

[Peroutka] What would you wish for the defense department in the future?

[Holan] The last government program did not in fact embrace defense issues, and this was natural because the Czech Republic Government, in which there was no defense department, had drafted it within the framework of the federation. What lies in store for us is to make sure that the appropriate priority is given to the defense department in the next government program. I am not saying the highest priority, but certain priority. Then, I would be in favor of constituting a supreme national defense body that would deal with those issues that are outside the actual department. I would also like something in parliament more narrow than the Defense and Security Committee—maybe a subcommittee—that would deal only with military issues. I think these three measures would be of great assistance to the Army.

Slovakia: Investigator Asks for Resignations in Kovac Jr. Case

LD1405131496 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 14 May 96

[FBIS Translated Excerpt] The investigations into the abduction of Michal Kovac Jr. abroad have not been concluded yet. The independent investigation commission of citizens which is working under the leadership of Deputy Ladislav Pittner is also trying to find the perpetrators of this act. Ladislav Pittner briefed journalists at a special news conference in Bratislava today on the results of his team's investigations, which are summed up in a lengthy report. Juraj Rybansky has just arrived at the studio and reports on the contents:

[Rybansky] [Passage omitted] According to the report, obstacles to the revelation of the part played by the Slovak Intelligence Service [SIS] were also created, apart from by the SIS head and his colleagues, by Interior Minister Ludovit Hudek, Police Corps Vice President Anton Manak, as well as some public prosecution bodies. According to the report, Anton Manak handed in investigation information to the SIS, which confirmed participation of its vehicles in the case. The SIS consequently produced misinformation which was being verified by the police.

According to Ladislav Pittner's team, it has become evident that SIS member Jiri N. stayed in his car outside Michal Kovac Jr.'s house on the night before the abduction. Since Jiri N. could not explain this fact, investigator Maj Vacok decided to start criminal proceedings against him. According to the report, this development triggered the reaction in which the investigators were discredited and later on replaced despite the existence of other evidence, among other things the testimony of Oskar F., who admitted participation in the abduction.

Ladislav Pittner noted in this connection that the investigation, after the replacement of the investigators, has yielded no results for seven months. On the contrary, Ladislav Pittner said today, space for the perpetrators' alibis and for intimidating witnesses is being created.

In conclusion, the chairman of the commission asked Interior Minister Ludovit Hudek, Prosecutor General Michal Valo, and SIS head Ivan Lexa to reconsider their activities and give up their posts.

Slovakia: Article Warns Against U.S.-Organized Roundtable

AU1405194096 Bratislava SLOVENSKA REPUBLIKA in Slovak 11 May 96 pp 8-9

[Article by Julius Handzarik: "International Assistance in Installments"]

[FBIS Translated Text] Some time ago I came across an interesting fax, dated 26 April 1996, addressed to the National Council of the Slovak Republic [NRSR]. It read:

Second American-Slovak Roundtable, Casta-Papiernicka 9-12 May 1996

The "roundtable" is organized by the Project on Ethnic Relations (PER) Foundation and the NRSR. It follows up on the work of the first roundtable, organized by the foundation in Washington in May 1995. These dialogues provide an opportunity for the leaders of government and opposition parties, as well as for other institutions in Slovakia, to acquaint American and other foreign observers with their views on a number of current problems and circumstances, including issues of regional security, bilateral relations, Slovakia's integration into European and transatlantic institutions, as well as the state of ethnic relations in Slovakia.

During the Washington roundtable, participants from Slovakia presented their positions and, in the discussion, pointed out differences of views on a number of key issues concerning, above all, ethnic relations.

What Is Involved, in Fact?

The aim of the second roundtable is to concentrate on practical measures that could help Slovakia maintain and improve its competitive position in the admission into international institutions and to support a calm domestic political atmosphere and prosperity of citizens of the Slovak Republic.

I. International and Regional Context

a) What needs to be done for Slovakia to maintain its position in the efforts for European and transatlantic integration?

b) View from American and Europe: How are Slovakia's prospects being viewed from the outside? Has this view changed since 1995?

c) View from Slovakia. What does Slovakia expect from the West? How does Slovakia perceive itself?

d) What are the consequences of the ratification of the treaty with Hungary for the regional and bilateral situation?

II. Ethnic Relations

a) What direct impact have the recently passed laws concerning education, the language, and the territorial and administrative arrangement had on the minorities?

b) What are the intentions of the government coalition regarding the laws on minorities and minority languages?

c) Are the parties of the Hungarian minority able to specify the meaning of the term autonomy?

III. Practical Measures

a) What steps leading to the establishment of an effective, permanent, and sincere dialogue on ethnic issues could be taken in Slovakia? Is it possible to create in Slovakia a mechanism or an institution that would enjoy the confidence of all participants, as well as observers (!) from abroad? Is it possible to move the dialogue from the sphere of party political struggle to a protected space?

b) How can Slovakia's foreign friends help?

Well, such is the declared intention of the "roundtable," organized by the Project on Ethnic Relations and the NRSR, according to the aforementioned fax. However, the foundation's true aims stick out from the text like a sore thumb. I took the liberty of highlighting them in the text so that they do not escape the reader's attention.

Opposition in Supremacy

Even more interesting is the makeup of the participants in the roundtable, as proposed by the foundation:

Representatives of parliamentary parties: [ethnic] Hungarian parties—three, government coalition—six, opposition—four, including Peter Zajac for the Democratic Party [DS]. (The very logic by which the selection was guided is interesting: the ethnic Hungarians are not included with either the coalition or the opposition and are, of course, ranked first, ahead of everyone else, and even Peter Zajac, as a representative of the "parliamentary" DS, is not absent).

Office of the President: M. Zemko. Office of the Prime Minister: to be determined. Ministries: three representatives.

Nongovernmental organizations: Stanislav Bajanik—Slovak Heritage Foundation, Martin Butora—Council for Ethnic Cooperation PER (!), Peter Huncik—director of the Sandor Marai Foundation (!), and Laszlo Szigeti—Kalligram.

Other participants: Rudolf Chmel, former ambassador of the Czech and Slovak Federal Republic to Hungary, Samuel Abraham, PER Bratislava.

American participants: Daniel Fried—White House, Bruce A. Messelt—chief for Slovak affairs in the Pentagon (!), Allen Kassof—PER, United States, Livia Plaks—PER, United States, Stephan Del Rosso—PEW, Charitable Trust.

West European participants: Audrey Glover—Organization for Security and Cooperation in Europe, Joffrey Harris—EU, Council of Europe—to be determined later.

A stellar composition of participants, indeed! One has to add to them 11 "expert observers," who include Ferenc Melykuti—PER Budapest, Klara Orgovanova—INFORMA, and a representative of the U.S. Embassy Bratislava.

Ideas and the Reality

The very composition of the participants in the "roundtable" speaks for itself and requires no comment. It is necessary, however, to specifically comment on the overall intention of this peculiar undertaking, as it comes out of the sack of nice-sounding words and stated topics for discussion.

10 May 1996: International and regional context (morning and afternoon) and, of course, ethnic relations.

11 May 1996: Ethnic relations (morning and afternoon) and, as the main intention—specific possible solutions.

In the specific agenda, there is not even one word about the proclaimed "number of current problems," "the Slovak Republic's integration.....," "Slovakia's prospects," and so forth!

In the specific agenda, the topics of the "roundtable" declared by the organizers boiled down to only the so-called problems of the Hungarian minority and the intention to create a mechanism or an institution (!) that would monitor in Slovakia (!), of all places, the fulfillment of demands of Hungarian minority parties, professionally drafted, or at least initiated, in Budapest. Every informed person knows that Hungarian minorities in the central European states do not have any real problems and, what is more, demonstrably enjoy quite undeserved extra rights. All ethnic minorities in the Hungarian Republic, on the other hand, do have very real and painful problems, which is why transnational, supranational, or other international activities that seek to address minority issues in central Europe should logically center, first and foremost, on the Hungarian Republic. This is true, in a particularly urgent manner, of Slovak-Hungarian minority relations and of the outrageous inequality in the real minority rights of the respective minorities. This is known to every citizen who is at least minimally informed about the true situation in central Europe and those who are not informed about it should not talk about these issues!

Hence, what is involved in this case is not the solution of some actual problems but the evident misuse of some foundation, of some anonymous sponsors, for purely political and even international political objectives.

History Repeats Itself

Such activities of such foundations should therefore serve as a warning signal to those deputies who are still hesitant over the prepared law on foundations. They should serve as a serious memento, in particular, to the older among them who still remember the year 1968! The very same methods were used then in organizing roundtables of Soviet imperialists and their lackeys against disobedient "right-wing opportunistic" Czechoslovakia, down to the known Bratislava "talks" that were followed by Soviet military "fraternal assistance." The present "roundtables" of this kind therefore evoke in the citizens of Slovakia shocking memories of the 1968 "international assistance," the only difference being that the role of the then Communist Party of the Soviet Union Central Committee has been assumed by all kinds of foundations, associations, and nongovernmental organizations financed underhand.

It needs to be said quite clearly that, compared with this initiative by the PER Foundation, the exchange of published statements with some Mr. Orme [executive director of the New York-based Committee for the Protection of Journalists] is an ordinary exchange of innocent love letters. The acceptance of "dialogue" with the PER Foundation on this topic amounts to the expression of our deputies' consent with a new "international assistance" and with internationally organized destruction of the Slovak Republic!

The NRSR deputies to whom this is addressed are confronted with another task, one that they did not fulfill with respect to the "basic treaty" with the Hungarian Republic—the task of directing the attention of these "guardians of minority rights" to the Hungarian Republic, which is their main and only violator!

Slovakia: European Commission Urges Revision of Foundations Bill

AU1505085796 Bratislava NARODNA OBRODA in Slovak 14 May 96 p 2

[Article by Ivan Samel: "Even the European Commission Has Objections to the Slovak Bill"]

[FBIS Translated Excerpt] Bratislava—One of the items on the agenda of the 15th National Council of the Slovak Republic [NRSR] meeting is the government-sponsored bill on foundations. Pavol Demes, spokesman for the Third Sector Board, therefore considers the four-month campaign designed to halt the legislative process for this bill to be almost over. According to Demes, by submitting the bill to parliament in its present form, the government did not respect the comments and recommendations of the Third Sector Board and foreign expert centers. Objections to the bill have recently been formulated by the Washington-based International Center for Nonprofit Law and, yesterday, the European Commission issued an extensive statement, drafted for it by the European Foundations Center in Brussels, in which it recommends that the Slovak legislators take into consideration its comments and the proposals contained therein for the Slovak law on foundations to be compatible with the European legislation and practice regarding foundations.

Pavol Demes said that the government did not keep its promise to open a debate on legislation for other types of nongovernmental organizations and on establishing a legislative framework that would stimulate the activity of nongovernmental organizations. The law on income tax under preparation testifies, rather, to the opposite trend. Overall, according to Pavol Demes, the government is not trying to stimulate civic activities but to control the civic society.

The Third Sector Board is still trying to organize a meeting with NRSR Chairman Ivan Gasparovic and to influence deputies so as to achieve that the government-sponsored bill on foundations will be either withdrawn from the agenda of the NRSR meeting or not passed in the submitted form. [passage omitted]

Slovakia: Commentary: Bankruptcy Law, Market Economy at Odds

AU1405194596 Bratislava NARODNA OBRODA in Slovak 14 May 96 p 9

[Commentary by Eduard Zitnansky: "Amendment to Law on Bankruptcy and Settlement: Hello, Yesterday"]

[FBIS Translated Text] At its next meeting, the National Council of the Slovak Republic [NRSR] will discuss a government-sponsored draft NRSR law that changes and amends Law No. 328 of 1991 on Bankruptcy and Settlement. The proposed amendment to the Law on Bankruptcy and Settlement consists of only a few lines, whose contents, however, have an almost dramatic dimension. "The provisions of this law do not apply to debtors who are a state budget-funded organization, a state-subsidized organization, community, a juridical person established by law, a state enterprise or a shareholding company listed in a special law, or the legal successor of a state enterprise according to a special law," reads Article 67, Paragraph 3, of the draft.

The special law being referred to is Law No. 192 of 1995 on Securing the Interests of the State in Privatizing Strategically Important State Enterprises and Shareholding Companies. The practical consequence of the amendment to the Law on Bankruptcy and Settlement will be that a group of companies, whose number and composition was determined by the government, cannot go bankrupt. Taken to absurd conclusions, a company that has been designated as strategic can run up as much debt as it wants and nothing will happen.

According to the Constitution of the Slovak Republic, the Slovak Republic is a state whose economy is based on the principles of a socially and ecologically oriented market economy. The Constitution also states that the Slovak Republic protects and promotes economic competition. When the amendment to the bankruptcy law goes into effect, the words on protection will become a matter of the past.

Under the Constitution, the proprietary right of all owners has the same legal contents and enjoys the same protection. Once the bankruptcy law is amended, one part of owners will obtain an extraordinary position and will enjoy extraordinary protection.

Even private firms, in which the state no longer has any possibility to intervene, have been designated as strategic in Slovakia. When such a company obtains enhanced protection, it is nothing but discrimination of the others.

In the article "Right to Ownership According to the European Human Rights Convention and the East Bloc," British lawyer Charles Marquand wrote that traditional capitalist economy rests on two legal pillars: "The first is contractual law (...) The second pillar is the law on bankruptcy. (...) The two pillars—contract and bankruptcy—are very closely interrelated. It would be scarcely possible to apply one without the other. Without the law on bankruptcy, the inability to satisfy claims stemming from a valid contract would not lead to the economic punishment of going bankrupt...."

For a few days now, NARODNA OBRODA has been writing about the course of the Slovenske Telekomunikacie [Slovak Telecommunications] versus Sipox Holding affair. The state company owes the private shareholding company several dozen billion korunas. The future of this dispute is almost evident. The draft amendment to the Law on Bankruptcy and Settlement contains also a provision, under which "commenced bankruptcy proceedings against debtors listed in Article 67, Paragraph 3, will be halted by the court, unless the court decided to declare bankruptcy prior to the coming into effect of this law." The decision to declare bankruptcy takes several months and requires complicated and extensive analyses.

The draft amendment to the Law on Bankruptcy and Settlement has been submitted to Parliament by the government, which means that the government is interested in this legislative norm going into force. At the same time, the government claims that the Slovak economy upholds the market principles.

Something has to be wrong here.

Hungary: Officials Deny Arms Sold to Former Yugoslavia

AU1405132396 Budapest NEPSZAVA in Hungarian 14 May 96 pp 1-2

[Unattributed report: "Arms Exports Are Difficult To Supervise"]

[FBIS Translated Text] "I can state firmly that arms sales have been out of question since the major restrictions of 1993, restrictions that followed the Kalashnikov scandal. Today, as a result of the sales ban, we are flooded with surplus weapons, ammunition, and combat material," Tamas Fehervary, head of the Material and Technical Main Directorate of the Hungarian Army, told NEPSZAVA. Tamas Fehervary refused to believe the recent report in THE WASHINGTON POST on Hungary selling weapons to the belligerent sides in the former Yugoslavia and said that arms sales from Hungarian Army supplies was out of question because, among other reasons, the mobilized troops remained unchanged, along with a considerable reduction in army personnel. As a result, the army storage facilities are full of weapons, and they are impatiently waiting for the government decision to sell them. Fehervary pointed out that the soldiers are not aware of any sales of forbidden goods to embargoed areas through secret trade channels for military hardware by the roughly 100 private entrepreneurs active in the civilian sphere.

"In connection with this issue, all I can say is that four political state secretaries decided on the Kalashnikov affair. Even though I was heading the main security policy department of the relevant ministry at the time, they did not even ask my opinion," military expert Gyorgy Szentesi told us. Szentesi claims that there are always secret party decisions behind sensitive sales. He does, however, have serious doubts regarding the statements in THE WASHINGTON POST. "One can say or write anything, but I will only believe the reports on Hungarian arms sales if they prove it. In my opinion, the markings on the weapons and other material represents proof, but I have no information that the newspaper in question has such proof," Szentesi said.

Weapons worth more than $1 billion were supplied to the Yugoslav area between 1992 and 1994. The list of suppliers primarily includes the post-Soviet states, but Switzerland, Austria, Slovakia, Egypt, Turkey, Singapore, Iran, Saudi Arabia, China, and Germany also helped supply the belligerent sides with weapons. The notorious supply of Hungarian Kalashnikovs was a very small element compared to the above, so much so that international military publications do not even mention it.

This is why Imre Fulop, head researcher at the Strategic and Defense Research Institute of the Hungarian Defense Ministry, cannot understand the U.S. claim. According to Imre Fulop, if the United States had learned about any supply of Hungarian arms during the embargo, they would probably have expressed their disapproval officially. At the same time, Washington is being forced to explain the supply of $180 million in arms to the Muslims in Bosnia, a transaction initiated by Washington itself, as well as the fact that they knew about the Iranian arms deliveries to the Bosnians. Imre Fulop thinks that the current U.S. claim represents the explanation of the proof; namely, that they are calming public outcry by showing that arms were sold to the region by others, not just by the United States.

"I have no information whatsoever about any sales of Hungarian weapons since the Kalashnikov affair," Imre Fulop stated. He thinks, however, that several shipments of weapons could have crossed Hungary.

Everyone remembers that three Russian military airplanes landed at Sarmelek airfield in 1994 and that one of them blew up for reasons that remain unclear. The press suspected arms supplies, just as in the case a year later of the Russian IL-76 heading for Iran that landed at Ferihegy. However, it has not been proved that any of these airplanes were transporting weapons.

This is not surprising. Arms shipments are sent to their destination under very good cover. A system used all over the world, one that also serves security, is that the weapons are sent to one of the Polish ports, for example, labelled as weapons; from there, the shipment moves to a Spanish or Portuguese port labelled as machine parts. From there the shipment is again relabelled, as pipes, for example, and continues toward its final destination. The international arms trade spends hundreds of millions of dollars to maintain this system. Therefore, it is almost impossible to discover the smaller shipments.

The Hungarian Ministry of Trade and Industry has issued a statement denying that Hungary sent weapons to the Yugoslav region in violation of the regulations.

The Ministry issues about 250 to 300 arms sales licenses annually, but the number of real deals and shipments is somewhat smaller, stated Colonel Jozsef Bode, head of the Licensing Department of the Industry and Trade Ministry. Based on decisions made by the Military Technology Operative Committee, the Ministry issues these licenses in three stages: Separate licenses are needed for the activity, for starting concrete negotiations, and for signing a contract. The aforementioned committee, which meets every fortnight on average, decides on the requests from about 60 to 65 Hungarian firms, Jozsef Bode said. An average of 450 to 550 contract licenses are issued annually, close to half of them import licenses.

Firms dealing with the export of military technology can only apply for authorization if they possess the so-called final consumer licenses obtained from the buyers. Although the regulations stipulating that trade in military hardware does not require it, we ask the Hungarian diplomatic missions to investigate the potential buyers who are new or who order larger quantities of weapons. However, one can only follow the route of the goods until the buyer receives the goods. Although the Hungarian firm that sells the goods does not have to present the delivery-receipt documents, the Ministry can ask for them at any time.

Hungary: Basic Treaty With Slovakia Goes Into Effect

LD1505101896 Budapest Kossuth Radio Network in Hungarian 0900 GMT 15 May 96

[FBIS Translated Excerpt] The Hungarian-Slovak basic treaty has one into effect. The documents confirming the accord, which was signed 14 months ago in Paris, were exchanged by Gyorgy Szenasi and Igor Grexa, heads of departments of the Hungarian and Slovak Foreign Ministries,. respectively, in the assembly hall of the Hungarian Foreign Ministry in Budapest this morning.

In his toast at the ceremony, deputy state secretary Janos Toth said that with the treaty in effect, relations between the two countries would be intensified and the situation for national minorities would continue to improve. [passage omitted]

Hungary: Government To Examine Deficit in Social Security Funds

AU1405191796 Budapest MAGYAR HIRLAP in Hungarian 14 May 96 p 1

[Correspondent's report: "Crisis Committee Investigates Social Security Deficit"]

[FBIS Translated Text] MAGYAR HIRLAP has learned that, at the proposal of Finance Minister Peter Medgyessy, a working group will be set up to examine the causes of the deficit in social security funds and ways to reduce it. MAGYAR HIRLAP has also learned that the Economic Cabinet set up a 30 billion-forint [Ft] surplus expense at the State Privatization and Asset Management Corporation (APV Rt).

At its meeting on 13 May, the Economic Cabinet discussed the economic situation in the first quarter of 1996. Tibor Draskovics, public administration state secretary at the Finance Ministry, told us that the lasting growth in industrial production is promising and is primarily due to export orders. We have learned that the ministers regard the expected social security deficit by the end of the year as one source of danger. Based on previous Finance Ministry data, this deficit could reach Ft41 billion. Other sources, however, say that the Finance Ministry is already counting on a deficit of Ft65 billion.

We have learned that a committee including representatives of the social security self-government bodies, the Welfare Ministry, the Finance Ministry, and the Office of Tax and Fiscal Auditing will be examining ways of reducing this deficit.

We have learned that the cabinet came to the conclusion that the APV Rt produced a surplus expense of Ft30 billion in the first quarter and asked Privatization Minister Tamas Suchman to examine the reasons for this. It probably originated from the money that the privatized enterprises had to pay for their internal plots.

Hungary: Tax Official Explains Lower Earnings in 1995

AU1405152596 Budapest NEPSZABADSAG in Hungarian 14 May 96 pp 1, 5

[Interview with Zoltan Pitti, chairman of the Office of Tax and Fiscal Auditing, by "B.V.J."; place and date not given: "Pitti: The Declared Income of Entrepreneurs Has Decreased"]

[FBIS Translated Text] Individual entrepreneurs in industry or the construction industry declared 36,000 forints annual income for 1995 as opposed to 53,000 forints the year before. The declared income of entrepreneurs doing intellectual jobs decreased from 70,000 to 67,000 forints, we learned from Zoltan Pitti, chairman of the Office of Tax and Fiscal Auditing [APEH], whom we interviewed on this year's tax revenue and tax declarations.

[Pitti] All in all, first quarter tax revenues have been collected as planned. A noticeable drop has only been seen in the case of consumer taxes.

[NEPSZABADSAG] This obviously shows a further expansion of the illegal economy....

[Pitti] In my view, it does not. The income is lower mainly because, anticipating price increases, the merchants created large inventories. Naturally, in addition to the inventories, a drop in consumption has also led to reduced turnover.

[NEPSZABADSAG] What are your views on the APEH's controlling activity?

[Pitti] In the first quarter we conducted some 54,000 inspections and, out of these, we examined the obligation to pay taxes in 16,000 cases. Our assessments and data clearly indicate an expansion of production and sales links. The claims for value-added tax repayments indicate increased exports and a revival of the willingness to invest. Actually, we always pay special attention to the rightfulness of these claims. The missing tax we discovered in the first quarter approached 8 billion forints. Making checks before money is transferred meant a savings of 5.6 billion forints for the budget. The effect of refusing the return in itself amounted to 4 billion forints. [sentence as published]

[NEPSZABADSAG] According to the criminal investigation authorities, the number of cases of economic fraud has significantly increased recently. Do the APEH's data also support this?

[Pitti] Our experience does not prove an increase in economic fraud cases. However, we have noticed an increase in the value of fraud cases. At the moment, some 10 to 15 million forints are involved in a single case.

[NEPSZABADSAG] Has the amount of the fines increased accordingly?

[Pitti] In the first quarter, the penalties we imposed amounted to 7 billion forints. We also proposed that criminal proceedings should be started in 172 cases.

[NEPSZABADSAG] You recently gave an interview on personal tax declarations but, not surprisingly, the public is still rather interested in this issue. Many people would like to speed up the final court decision in the case of disputed investment allowances.

[Pitti] The tax office itself is one of these because a final decision on this issue would also be useful for us. However, I find it important to note that, at the moment, our files contain 41,000 requests in which cases we question the legality of the claim for repayment. This affects barely 2 percent of the claims for repayment. This year 2,271,000 private persons submitted self-declarations, more than last year. Out of these, some 461,000 showed payment obligation at an average 26-27,000 forints, and the number of those who are requesting repayment is over 1 million. The vast majority of them received their money in time.

[NEPSZABADSAG] Every year it is discussed that the personal taxation is rather disproportionate because the majority of the tax burden falls on those living on salaries and wages. According to the data, this phenomenon became even stronger in 1995.

[Pitti] The specific indicators calculated on the basis of the declarations show a differentiation and, at the same time, reduction of the earnings of private entrepreneurs. Only the average income of those who chose to pay a flat rate tax was significantly higher. The registered loss of merchants was 129,000 forints as opposed to 118,000 a year before. Although intellectual, industrial, and construction industry entrepreneurs indicated profits, their level is below the 1994 level. According to the tax declarations, intellectual entrepreneurs earned 67,000 forints, and industrial and construction industry entrepreneurs earned 36,000 forints in a year.

According to data received so far, only the situation of agricultural entrepreneurs has improved. Their annual loss decreased from the 567,000 forints indicated in the previous year to 284,000 in 1995. Therefore, according to our preliminary data, the tax burden is still just as disproportionate.

Hungary: Management Change at UJ MAGYARORSZAG Sparks Protest

AU1505091996 Budapest NEPSZABADSAG in Hungarian 14 May 96 p 4

[Article by Lajos Kovacs: "Franka Promises Not To Censor"]

[FBIS Translated Text] As we reported, the opposition daily UJ MAGYARORSZAG has a new chief editor after the owners of the publisher National Media, Ltd. relieved Andras Ko and appointed Managing Director Tibor Franka in his place. A group of the daily's leading contributors and several personalities who support the newspaper have written a protest letter, and Sandor Szokolay has suspended his membership on the editorial committee.

According to the signatories of the protest letter, the spirit of UJ MAGYARORSZAG has been put at risk by this step. The letter says that the owners gave outrageous and false justifications for the replacement of the chief editor and, at the same time, are implementing changes that will end UJ MAGYARORSZAG's independence. One sign of this, it is said, is that they wanted to give responsible editor Pal Dippold the task of dampening the political edge of the newspaper's "Stance" column.

Szokolay suspended his editorial committee membership until the new chief editor is appointed. He justified his decision by saying that he would not take responsibility at a newspaper where, under political pressure, the owners' censorship dictates policy.

Dippold has left UJ MAGYARORSZAG. He said the new chief editor's direct control violates the newspaper's and his personal independence. In his view, the owners were wrong to accuse the newspaper of not being fit for good society.

Franka finds his colleague's action unjustifed. He said that there has not been and will not be censorship at the newspaper and, should it appear, he will be the first to leave.

Gyorgy Csoti said the newspaper's financial situation was the main reason for the change. According to the spokesman of the seven minority owners, it was only mentioned as a secondary reason that, from time to time, articles have appeared in the paper with a tone or messagee not appropriate for a center-right and moderate paper and that certain groups could have been offended. He said that the crisis staff of Dippold, Ko, and Franka had not met expectations. Therefore, the owners decided to consolidate control over the newspaper's economic management and content in one hand for a period of three months.

B-H: Karadzic Dismisses Prime Minister Kasagic

LD1505105096 Belgrade SRNA in Serbo-Croatian 1035 GMT 15 May 96

[FBIS Translated Text] Sarajevo, 16 May (SRNA)—Dr. Radovan Karadzic, president of the [Bosnian] Serb Republic, today took the decision to dismiss Serb Republic Prime Minister Rajko Kasagic from his post in order to safeguard constitutional order, to ensure the implementation of agreed policy, and to prevent the further deepening of the government crisis.

Until the new prime minister is appointed, the government will be headed by one of the deputy prime ministers, a statement from the president's office, forwarded to SRNA by the press office, says.

B-H: Karadzic Says Sacked Prime Minister 'Was Disoriented'

LD1505124196 Belgrade TANJUG in English 1222 GMT 15 May 96

["Pool" item]

[FBIS Transcribed Text] Pale, May 15 (TANJUG)—Republika Srpska (RS) President Radovan Karadzic dismissed Wednesday RS Premier Rajko Kasagic.

President Karadzic's office said that Premier Kasagic was removed "with a view to protecting the constitutional order, pursuing the adopted policy and preventing further widening of governmental crisis."

The RS president, the statement said, assessed that the premier was disoriented and that he had "caused considerable damage that would have imminently jeopardized the fundamental interests of the state and of the people."

The statement said that until the appointment of the a new mandator, the government of the Serb entity in Bosnia and Herzegovina will be led by the vice-president.

B-H: Bildt 'Disappointed' by Kasagic Removal

AU1505113196 Paris AFP in English 1111 GMT 15 May 96

[FBIS Transcribed Excerpt] Pale, Bosnia-Herzegovina, May 15 (AFP)—Bosnian Serb leader Radovan Karadzic, president of the Republika Srpska, has sacked moderate Prime Minister Rajko Kasagic, a presidential communique said Wednesday.

Kasagic last week called on Bosnian Serb leaders to respect all aspects of the Dayton peace agreement, signed in December, which ended the four-year conflict in Bosnia-Herzegovina. [passage omitted]

High Representative Carl Bildt, who oversees implementation of the civilian aspects of the Dayton accord, said he was "disappointed" by Kasagic's dismissal but added he was confident that democratic forces would prevail, his spokesman said in Sarajevo.

"The High Representative is disappointed by this startling news from Pale," he said.

"But he is confident that the forces of democracy and open society will win out. Bosnia deserves no less," Colum Murphy told AFP.

Bildt had met with Kasagic last week.

B-H: Karadzic on Aspects of Dayton Agreement

MS1505093396 London THE DAILY TELEGRAPH in English 15 May 96 p 14

[Report by Colin Soloway, incorporating interview with Radovan Karadzic, Bosnian Serb leader, in his office in Pale; date not given: "Fugitive Who Stays in the Running"]

[FBIS Transcribed Text] For a man who is wanted by the International Tribunal in The Hague, Radovan Karadzic, the Bosnian Serb leader, appears to be thriving.

Western diplomats in the region suggest that his position in the Serb ministate of Republika Srpska is strengthening, in spite of the frequent denunciations by Carl Bildt, the man in charge of implementing the Dayton peace accords in Bosnia.

"Since Dayton, Karadzic has gone from shock to fear, to disbelief, to cautious optimism, to renewed confidence, and to a sense of deja vu," said a diplomat who knows Karadzic well.

And Sir Terence Clark, a retired British diplomat currently in charge of the International Crisis Group in Bosnia, said: "You go into any office in Republika Srpska and whose portrait do you see on the walls? Karadzic."

Despite American assurances that Karadzic has been sidelined, he is still a dominant force in the Bosnian Serb community. Though banned from public office and from running in this autumn's elections by the Dayton agreement, he still commands the loyalty and fear of many Bosnian Serbs, according to diplomats in Bosnia. They see him as far more powerful now than the Bosnian Serb army commander, Gen Ratko Mladic.

"Forget about Mladic," said one western official. "Mladic will do what he is told by Milosevic [the Serbian President]. Karadzic is the one to worry about and get rid of."

Last month the Bosnian Serb assembly empowered Karadzic to supervise all contacts with the international community, although he is hampered by the fact that under Dayton he should be arrested and sent for trial in The Hague. Following his endorsement by the Bosnian Serb assembly, Karadzic decreed that the fledgling state of Republika Srpska should not take part in the donors' conference held in Brussels for the reconstruction of Bosnia.

This cut his community out of the distribution of $12 billion of reconstruction aid, which brought criticism from Rajko Kasagic, the Bosnian Serb Prime Minister, and Momcilo Kraijsnik, the parliamentary speaker.

Karadzic argued that participation at Brussels would be an interference with the sovereignty of Republika Srpska.

Mr Bildt continues to excoriate Karadzic and has even suggested that Bosnian Serbs should overthrow him. One diplomat said: "There is a struggle going on between Kasagic and Karadzic...and Karadzic is not out of it by a long shot."

It is feared that Karadzic could turn the forthcoming elections into a referendum on his own popularity, even though he will not be a candidate.

I had caught up with Karadzic, a notorious night owl, at 2am in his offices in a truck factory outside the mountain village of Pale, the republic's political capital.

He said he was working on plans for a new city—Serb-Sarajevo—to accommodate 200,000 Serbs on the mountain slopes south-west of the old Sarajevo.

Karadzic is now casting himself in the role of peacemaker, and the guarantor of the Dayton process for his people, though he vehemently disagrees with some of its clauses, such as those relating to his own political disqualification. "I am not happy with the peace agreement," he said. "But I am happy with the peace. I knew from the beginning, nobody will get everything.

"I am not happy with many aspects of the Dayton agreement but I am very decisive to implement it and not to fight ever again militarily. Of course, political fights are part of life."

Karadzic said he was not unduly worried about the international attempts to ban him from running for office again.

"What kind of democracy is that, if you suspect someone you announce him guilty, and then prevent him from participating in the elections?" he asked. "If my people are against me, they would vote against me."

Karadzic said he could envisage close co-operation between the Bosnian Serbs and Croats but warned against any attempt to re-arm the Muslims. "Everyone who is trying to arm the Muslims is not a friend of the Muslims. If they started a war right now, I would not get involved," he said.

"I don't want them to fight, although I personally would be on the side of those who suffer more, or who are attacked."

Karadzic said that he could see the peoples of Bosnia working together, part of the tendency of Europe to unite.

"It is unavoidable but it has to be on an honest basis. If it means we are going to be dominated once again, people will never accept it," he said. "We have experienced 500 years of Turkish domination."

He concluded that he felt under no personal threat from The Hague indictment against him. "Do I look like a frightened man?" he asked.

"I am not afraid of that. They don't have a single proof, a single evidence."

B-H: Karadzic 'Has Every Intention' of Running in Elections

AU1505103096 Bad Vilbel VESTI in Serbo-Croatian 15 May 96 p 4

[Unattributed report: "Radovan Karadzic To Run in Elections"]

[FBIS Translated Text] Serb Republic [RS] President Radovan Karadzic has told the U.S. weekly US NEWS AND WORLD REPORT that he has every intention of being a candidate in the forthcoming elections in Bosnia, according to a Voice of America report. Karadzic stressed that he was popular among the Bosnian Serbs and had the RS assembly's support, and said he wanted the elections in Bosnia to be held as soon as possible so that he could request a new mandate.

"If at this point I were to resign my position in line with the superpowers' demands, it would only cause confusion and nothing else," the RS president said, and added that the international community "was wasting time" in trying to find moderate Serbs and that he "cannot be overlooked." Commenting on the Hague indictment, Karadzic told the U.S. magazine that he was not a war criminal, and stressed that the tribunal in The Hague had no evidence against him, Voice of America reported in its program in Serbian.

B-H: Pale's Plavsic Warns of 'Great Danger' to Serbs

AU1405193996 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 13 May 96

[Report on statement by Pale Serb official Biljana Plavsic to Zvornik SRPSKI GLAS on 13 May; place not given]

[FBIS Translated Text] Dr. Biljana Plavsic, deputy president of the Serb Republic, stated in her interview in today's issue of Zvornik SRPSKI GLAS that the situation in the Serb Republic is very important to all Serbs, since it is the Piedmont of Serbianity.

It was our destiny to take over the role of the mother country. This is how the diaspora sees the Serb Republic and there is a reason for it, said Dr. Plavsic to the Zvornik monthly. She emphasized that the Serbs are in great danger as long as there is (?communism).

B-H: Pale Serbs Ask World Bank for $1 Million in Aid

AU1405140296 Paris AFP in English 1352 GMT 14 May 96

[Report by Francoise Michel]

[FBIS Transcribed Text] Pale, Bosnia-Herzegovina, May 14 (AFP)—Bosnian Serbs have asked the World Bank for $1 million in reconstruction funds, a senior Bank official said Tuesday [14 May], the first large Serb cash request received by the UN agency.

Rory O'Sullivan, the World Bank's top official in Bosnia, however tied cash for the two submitted projects to the Serbs signing a repayment agreement with the Bosnian Republic authorities.

Speaking in this Serb stronghold east of Sarajevo, O'Sullivan said the deal was a "test case" dependent on a "subsidiary agreement" covering repayment.

The Dayton peace accord which ended Bosnia's almost four year war last December created two largely autonomous entities—a Moslem-Croat federation and a Serb republic—within a unitary Bosnia-Herzegovina republic with limited powers.

Signing the deal would implictly recognise the republic's existence, while Serb hardliners still want to link areas they control to neighbouring Serbia and thus fulfil their dream of creating a Greater Serbia.

Asked if the Serbs were ready to sign the deal with the republic authorities O'Sullivan said: "We don't know, but we feel the situation has evolved in a positive direction in the last two to three weeks."

The Serbs boycotted an April reconstruction fund-raising conference in Brussels which secured pledges of some $1.23 billion in aid this year, refusing to be represented in the Bosnian Republic delegation.

The World Bank estimates Bosnia will need $5.1 billion in reconstruction aid up to 1999, including $1.4 billion in the Serb entity.

The two $500,000 projects submitted to the World Bank cover education and district heating, said O'Sullivan on Tuesday.

However, a further $80 million loan for improvements to transportation was already in an "advanced stage of preparation," he said, adding that other projects were in the pipeline.

"We are moving ahead and designing a substantial number of projects so when the RS (Republika Srpska) authorities are ready to move ahead we are ready immediately," he said.

Bosnia-Herzegovina officially joined the World Bank on April 1, the government signing three loans worth $269 million to finance emergency reconstruction projects covering agriculture, transport and water sanitation.

The credit line was the first major tranche of money for Bosnia since the country's peace agreement was signed, and was in addition to $45 million already approved by the World Bank for Bosnia.

B-H: West Plans 'To Boost' Banja Luka's Significance

AU1005191496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 10 May 96

[FBIS Translated Text] Five international organizations plan to open offices in Banja Luka that would be responsible for the Serb entity. This was announced by the spokesmen for the EU mission for the reconstruction of Bosnia-Herzegovina, the [words indistinct] UNHCR, the international police force, and the Organization for Security and Cooperation in Europe. Diplomats said the West planned to boost the significance of Banja Luka in order to isolate the Bosnian Serb leadership around war criminal Radovan Karadzic in Pale.

B-H: International Contacts Strengthen Banja Luka's Importance

LD1105130596 Belgrade TANJUG in English 1051 GMT 11 May 96

[By Jovan Babic]

[FBIS Transcribed Text] Banja Luka, May 11 (TANJUG)—A series of international events in the

Bosnian Serb city of Banja Luka this week have strengthened the city's importance, international community's high representative Carl Bildt and Republika Srpska prime minister Rajko Kasagic said in a joint statement.

The presence of international representatives in Banja Luka has showed how much Bosnian Serbs could benefit through contacts with Europe and the world, provided that all conditions of the Dayton agreement are fully implemented, said the statement released after the closed-door talks between Bildt and Kasagic.

All Republika Srpska leaders should fully support the policy directed towards economic progress, confidence and democracy, because this is the only way for the Republika Srpska people to build a peaceful future together with the other peoples of Bosnia-Herzegovina, the statement said.

The international community has made it clear that it is interested in assisting the economic reconstruction of the Republika Srpska, the statement said and added that international representatives had stressed the importance of reconciling all people in Bosnia-Herzegovina and that meetings between religious leaders in Banja Luka had strengthened the importance of establishing religious tolerance as a way of building confidence.

The statement said that the holding of elections within the deadline set in the Dayton accords was the only way of securing that the devastations of war stay in the past.

The approach of all parties to the media, setting up of a local election commission and full observation of rules and regulations of the temporary election commission make the basis for free elections, the statement said.

Banja Luka is the biggest city in the Republika Srpska, its industrial and university centre, but the administrative centre of the Bosnian Serb entity is in Pale, about 30 km east of Sarajevo. The office of Republika Srpska President Radovan Karadzic is also situated there.

A series of talks between international officials and Kasagic and Banja Luka authorities was held this week. In addition to the opening of the office of high representative Bildt, chairman of the mission of the Organization for Security and Cooperation in Europe, Swiss Foreign Minister Flavio Cotti, and U.N. High Commissioner for Refugees, Japanese diplomat Sadako Ogata, were also in attendance.

U.N. special rapporteur in the former Yugoslavia Elisabeth Rehn of Finland, British Minister for the Development of Overseas Countries Duchess Choker and U.S. Assistant Secretary of State John Kornblum also visited Banja Luka.

B-H: Serb Commander Mladic Refuses To Recognize Hague Court

LD1505102896 Belgrade SRNA in Serbo-Croatian 0825 GMT 15 May 96

[FBIS Translated Text] Athens, 15 May (SRNA)—I will only recognize my people's court, and the Hague [war crimes] Tribunal is a political court set up to impose someone's whim, Colonel General Ratko Mladic, commander of the General Staff of the Bosnian Serb army, has told the state-run Greek ET-3 TV channel.

In The Hague there are, perhaps, pilots and officers who dropped their bombs on the Serb people, but they are not being tried. They want to try me, I who had to defend my people against their—American, English—planes and against the Muslims, the mujahedin, Croats...[agency ellipses]," the general said adding:

"We were bombed, our people, our churches, and now they are telling us it was all a mistake."

Mladic said that the Serbs had not waged a war of conquest and that peace had to be given a chance.

"We are worried about militant pronouncements by [Bosnian President Alija] Izetbegovic and other Muslim leaders as well as about actions by individual Muslim countries. Unfortunately, by continuing to arm the Muslims, America is also threatening peace."

Attempts by some international players to push the Serbs into the same state with the Muslims and Croats are, according to Mladic, "counterproductive, as historical evidence shows."

"Such a community could not survive as Yugoslavia and how can it in a small state to be called Bosnia. The Muslims have made it clear what their attitude to the Serbs in the territories under their control is—there are no Serbs there any longer," the general said.

Mladic said that "recent events found the Serbs without a common national program, let alone an Orthodox program."

"It is for you to judge if the entire Orthodox world, Russia, Serbia, or Greece rose when we were made to suffer. We are part of the world," Gen. Mladic said.

B-H: Serb Speaker Condemns Muslim Attacks on Milici, Dobrinja

LD1405195796 Belgrade SRNA in Serbo-Croatian 1903 GMT 14 May 96

[FBIS Translated Text] Sarajevo, 14 May (SRNA)—Momcilo Krajisnik, president of the People's Assembly of the Serb Republic, has condemned the Muslim attacks on Serb civilians in Milici and the Sarajevo suburb of Dobrinja and described them as pure examples of terrorism.

Krajisnik criticized the international community "for not condemning these incidents as it should have done."

Apart from this, the speaker of the Serb parliament also criticized the international community "for not condemning the bellicose statements by Muslim leaders" and for "not being more aggressive in fulfilling certain provisions of the Dayton agreement, especially those relating to the demarcation of the border and freedom of movement."

Freedom of movement, according to him, in no way encompasses "the infiltration of terrorist groups" or "visits en masse," as was being organized by the Muslims.

Krajisnik accused the Muslim side of "not wanting peace" and of interpreting the provisions of the Dayton agreement with its own interests in mind.

He repeated that the Bosnian Serb authorities, which had obliged themselves to respect the provisions of the Geneva Convention and that section of it relating to POW's, "would enable IFOR [Implementation Force], the international police, the International Committee of the Red Cross and all human rights' organizations to visit arrested Muslim terrorists."

The speaker of the Serb Republic People's Assembly believes that a miniconference should be convened in connection with the incidents on the border between the Serb Republic and the Muslim-Croat federation and the issues of Gorazde and Sarajevo.

B-H: Adm Smith, Bildt To Set Demarcation Line at Dobrinja

AU1405203496 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 13 May 96

[FBIS Translated Text] IFOR [Implementation Force] Commander Admiral Leighton Smith and senior international envoy Carl Bildt will make the final decision on the demarcation line at Dobrinja if the Serb and Muslim demarcation subcommittees do not reach an agreement this Wednesday, 15 May, stated (?IFOR) spokesman, Max [second name indistinct], in Lukavica today.

Explaining why an agreement had not been reached at the last meeting of the subcommittees of the Serb Republic and the Croat-Muslim Federation, held on 10 May, (?colonel) [name indistinct] said that the Serb and Muslim approaches to the problem were different [passage indistinct] while Muslims want problems of individual housing units to be resolved, said [name indistinct]. He added that many other problems were resolved at the meeting [passage indistinct].

B-H: Political Parties Question EU Decision on Mostar Elections

AU1405181096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 14 May 96

[FBIS Translated Text] The coordinating committee of five political parties—consisting of the Muslim Bosniak Organization, the Republican Party, the Croatian Peasants' Party, the Party [words indistinct], and the Union of the Bosnia-Herzegovina Social Democrats—has issued a statement on the stand taken by the EU's Council of Ministers on elections in Mostar. The statement says, among other things, the following:

We insist that the relevant institutions of power in the Federation and the international community give their precise stands on the conditions for holding elections in Mostar, and offer guarantees for holding (?free) elections. If they fail to explain their stands, the opposition parties will not consider the results of the elections valid from the point of view of the criteria established by the international community.

It is unacceptable that the poor results in the implementation of the Federation and the protectorate of the EU Administration in Mostar should (?sanction) holding elections at any cost.

B-H: Muslim Radio: No Minimum Conditions for Mostar Elections

LD1505121596 Belgrade TANJUG in English 1001 GMT 15 May 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, May 14 (TANJUG)—The holding of local elections in Mostar, scheduled for May 31, would be a "shot at a united Mostar," Muslim Radio Sarajevo said on Wednesday [15 May].

Mostar, divided into the eastern, Muslim, part, and western, Croat, part, should be a united city under the terms of the Dayton peace accord.

There are not the minimum conditions for holding elections in Mostar, said the radio, as there is no freedom of movement, political activity or approach to the media.

The radio said that a decision by the European Union, taken at a meeting in Brussels on Monday, whereby the elections must be held on the scheduled date, was received with incredulity and anxiety among Muslims.

The Muslims were angered by a statement by European administrator in Mostar Ricardo Perez Casado to the effect that elections could not be postponed merely because Muslims would not take part in them.

Another cause for dissatisfaction are the regulations prescribed by the EU, allowing for only those citizens present in the city on the day of the elections and whose names are on the 1991 census list to vote.

At the beginning of Bosnia's civil war, about 40,000 serbs were driven from Mostar, before the Muslims and Croats began fighting for domination over the city.

B-H: UN's Rehn Wants 'Dayton II' on Remaining Problems

BR1405095296 Helsinki HUFVUDSTADSBLADET in Swedish 10 May 96 p 4

[Report by Stefan Brunow: "Elisabeth Rehn Wants New Dayton Meeting on Bosnia"]

[FBIS Translated Text] "The country is so terribly beautiful right now. Springtime on the lush battle fields is so breathtakingly beautiful that you risk forgetting the mines and the mass graves below the grass."

Elisabeth Rehn has returned home after yet another bewildering visit to a Yugoslavia at peace. The mandate of the UN human rights rapporteur has been extended and broadened; soon she will begin a review of all human rights violations in Yugoslavia since 1991.

But she has not been given more money. [EU special coordinator] Carl Bildt has said that this must be taken care of—at the latest in October, when she officially retires and leaves the European Parliament. The United Nations only pays for travel and daily allowances, which are inadequate if you stay in expensive Sarajevo, for example.

She came home late last night, she said, and could not sleep. She forgot both her Finnish and her mother tongue [Swedish] at the press conference at the Ministry of Foreign Affairs. She talked about "tensions" [using the English word] in Kosovo. Now the Albanians there are openly demanding independence, not autonomy anymore.

"I discussed Kosovo with Serbian President Slobodan Milosevic. The situation is very tense in the area where the Albanian majority is being harassed and tortured by Serbian police. In his opinion, Kosovo is an internal Serbian matter.

"I answered that human rights violations are never an internal matter."

The Disappeared the Biggest Problem

The 27,000-30,000 disappeared civilians in Bosnia and Herzegovina are the biggest problem right now.

Elisabeth Rehn said that time has run out for the Finnish project for which the Foreign Ministry has appropriated half a million markka: the identification of dead people who are still lying in the terrain around Srebenica.

"We removed obstacle after obstacle, but finally it became too late anyway, due to bureaucratic and economic problems. IFOR [Implementation Force] refused to clear the mines since this is not an express part of their mandate.

"And now the foxes have done their part and the grass has grown too high."

A disappointment both to the tribunal in The Hague and to EU coordinator Carl Bildt despite the fact that the Finnish-Dutch project was "peanuts" [preceding word in English] given what still remains to be done.

Dayton II About Concrete Details of Peace

"There are too many loose threads, too many refugees who cannot return home, since there are other refugees living in their houses who cannot return home either. What is needed now is a new Dayton conference which would settle the practical questions in more detail.

"The problems are piling up. Property must be returned, mass graves must be opened. But, above all, the main culprits behind the war crimes must be brought to justice in The Hague. Otherwise, the population and the innocent people can never be exonerated and go on living in peace."

Rehn pointed out that there are no innocent parties in the civil war. Crimes against humanity took place among Muslims, Serbs, and Croats.

"I have never regarded the Muslims in Bosnia as innocent victims. But it is also important to remember that the Hague tribunal does not convict anybody for having started the war but for crimes committed in the name of the war. It is always a question of individuals, not groups. On that point the judges in The Hague and I agree completely," Rehn said.

Her latest trip was to Kosovo, Montenegro, Doboj, Banja Luka, and Prijedor, among other places.

The week after midsummer she will return to the painfully summer-green battle fields.

B-H: Muslims, Croats Agree on Joint Defense, Finance Structures

LD1505085696 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 15 May 96

[FBIS Translated Text] The meeting of the Forum of the Federation of Bosnia-Herzegovina has ended in Washington. The federation partners reached an agreement on a defense law and common financial institutions. Under the defense law agreement reached by the federal leaders, their forces will be merged under a single defense ministry and a joint command structure, U.S. Secretary of State Warren Christopher said after the meeting. He also said that the sides had agreed to establish, by 31 May, financial institutions crucial for economic recovery.

Christopher also announced that U.S. Commerce Secretary Kantor will soon visit Croatia and Bosnia-Herzegovina.

Kresimir Zubak and Ejup Ganic, president and vice president respectively of the [Muslim-Croat] federation, said in Washington that, for it to function, the federation needs lasting support by the United States and the international community. After the meeting, Zubak said that the federation does not just mean structures and institutions, but that it is crucial for restoring confidence between the two peoples.

B-H: Report on Muslim-Croat Agreement in Washington

LD1505101796 Belgrade TANJUG in English 0957 GMT 15 May 96

["Pool" item]

[FBIS Transcribed Text] Washington, May 15 (TANJUG)—The leadership of the Muslim-Croat Federation in Bosnia reached agreement in Washington on Tuesday evening, under strong U.S. pressure, to have integrated armed forces in three years' time.

The latest Muslim-Croat agreement also provides for the setting up of a joint command structure and joint civilian-led defence ministry.

The United States has also brought about agreement on a free return of refugees to their homes.

U.S. Secretary of State Warren Christopher, who announced the deal, did not disclose details on the joint armed forces but sources said that the Croatian conception had prevailed.

Croats favoured a defence law under which the joint armed forces would have a joint command structure but would keep the ethnic outline. The Muslims were for single and not joint armed forces.

The Washington talks were attended by Federation President Kresimir Zubak, a Croat; Federation Vice President Ejup Ganic, a Muslim; Prime Minister Hasan Muratovic of the Muslim Government in Sarajevo; and Croatian Foreign Minister Mate Granic.

The United States convened the meeting because Clinton's administration, which brought about the setting up of the Muslim-Croat Federation, maintains that its success is of paramount importance. Washington believes that the Muslim-Croat Federation is also crucial for the Dayton peace accord.

After one-year fierce fighting and mutual ethnic cleansing, particularly in central and southern Bosnia in 1993, Bosnian Muslims and Croats yielded to U.S. pressure and signed in March 1994 an agreement on the setting up of a Federation. The Federation, however, has remained a dead letter.

B-H: Zubak, Ganic Comment on Federal Army Structuring

AU1405142796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 14 May 96

[Report by Emira Selimovic on statements by Ejup Ganic, vice president of the Federation of Bosnia-Herzegovina, and Kresimir Zubak, president of the Federation, in Washington; date not given—recorded]

[FBIS Translated Text] This is what the vice president of the Federation and the president of the Federation, Ganic and Zubak, respectively, stated before the Forum of the Federation:

[Ganic] We demand a single army. The Federation can only have one army. The two components that exist now are supposed to become a single component. This is our (?attitude).

[Zubak] We think that two components must be preserved, namely, the Army of Bosnia-Herzegovina and the Croatian Defense Council, but that the army must be unified, which, among things, means a joint command and a general staff, and uniform insignia, uniforms, ranks, command structure, training, standards or armament [word indistinct]. Even when speaking of [words indistinct] that would be an advanced stage in relation to the current state, but that would not be full integration, as some people expect it to be. I think, in view of what has been happening so far, that any full integration would represent [words indistinct]. In principle, that would also be a considerable progress [words indistinct].

B-H: HDZ Chairman Discusses Problems in Federation

AU1405180296 Sarajevo DNEVNI AVAZ in Serbo-Croatian 9 May 96 p 2

[Unattributed article: "There is No Federation of Cantons"]

[FBIS Translated Text] The HDZ [Croatian Democratic Community] of Bosnia-Herzegovina organized a forum called "The Croats in Bosnia-Herzegovina, the Federation of Bosnia-Herzegovina, and the Elections." The forum was held in Sarajevo yesterday [8 May]. The leaders of the Bosnian HDZ were present, and HDZ Chairman Bozo Rajic delivered the introductory speech about HDZ policy from its founding to the present day, about the implementation of the Bosnia-Herzegovina Federation, about the upcoming elections in Mostar, and other present issues, reported the BH-PRESS.

Speaking about the problems in the realization of the Bosnia-Herzegovina Federation, Rajic said that the main hindrance was that the Muslim partners misinterpreted the Dayton agreement on the Bosnia-Herzegovina Federation.

"There is no Federation of cantons, there is only the Federation with two equal nations as constituents. There is no federal police, there is only canton police. There are no mixed cantons, there are only cantons with one nation as the majority. The united and civic Bosnia-Herzegovina that our federal partners are offering is just a unitarian concept of Bosnia-Herzegovina," Rajic explained in his attitude toward the Dayton agreement.

Rajic criticized the SDA and all other civic parties in Bosnia-Herzegovina as well as in Croatia, saying: "What was achieved in Vienna and Washington, as well as Bosnia-Herzegovina itself, would have been impossible without the HDZ, although our federal partners' messages to the world said that the Croats had always been ustashas whose only intention was to create Croatia in Bosnia-Herzegovina.

Haris Silajdzic is the most dangerous political trick for the Croatian people. He wants to destroy all political parties except his own. He was instructed to eliminate the HDZ, and that makes his offer totally unacceptable for the Croats. He is trying to revise the Dayton agreement and make Bosnia-Herzegovina the most unitarian state in Europe," Rajic said, and added: "Liberalism excludes Catholicism, and it is actually more dangerous than communism."

According to Rajic's words, the attempts to make a problem out of the elections in Mostar were aimed at taking things back to the beginning.

"We are going to have the elections in Mostar and we are going to see that all conditions are normal and legal, but we will not accept the Dayton agreement being changed. We do not agree with voting in embassies and diplomatic legations, as we cannot supervise those. It is my personal wish that all Muslims from Mostar come to Mostar to cast their votes," Rajic said.

Concluding, Rajic pointed out that the HDZ in Bosnia-Herzegovina has not forgotten the Croats in Sarajevo and will not forget them, but will "do our best for the Sarajevo Croats to achieve an equal status there."

B-H: Army Integration and Media Issues Viewed

AU1405175696 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 10 May 96 p 6

[Report by Sejad Luckin: "'Train and Equip' Before the Law"]

[FBIS Translated Text] "If the consensus on the contents of the federal defence law is not reached soon, the Bosnia-Herzegovina Army will commence the realization of the 'Train and Equip' program—devised by the international community in order to strenghten the federal army of Bosnia-Herzegovina—alone. That will be done through bilateral contacts with countries that are friendly to Bosnia-Herzegovina," Hasan Cengic, deputy defense minister of the Federation, stated in Sarajevo on Thursday [9 May], as a guest at the news conference held by the SDA [Party of Democratic Action]. "We must be ready to react to a possible military challenge to the Federation after the departure of the IFOR [Implementation Force]," Cengic explained. He also affirmed the information that the Bosnia-Herzegovina Army had a certain amount of weapons presently stored abroad, and that those would be imported after the arms embargo is lifted. As he said, those weapons were bought or donated by countries that support Bosnia-Herzegovina. Cengic did not want to name the countries that supplied the weapons, nor the time of the purchase.

How To Compromise

At the news conference, Cengic accused the Croatian side of not being ready to compromise, maintaining that they actually were not willing to reach the consensus about the federal defense law. That law is necessary for the organization of the Federal Ministry of Defense, as well as for the process of integration of the Bosnia-Herzegovina Army and the HVO [Croatian Defense Council] into the Federal Army. Cengic explained that hampering the passage of the defense law directly affected the process of modernization of the Federal Army.

"Even the numerous contacts of the Bosnian Muslim and Croatian side, with U.S. representatives as mediators, have failed to result in a compromise. We have done a lot of work on the defense law," Cengic said, "but even after three months of work we have not managed to agree about three major problems. The first is how long the integration is going to take. The Muslim side suggested a one-year period, and later extended it to two and a half years. However, the Croats did not accept any of those suggestions, nor did they respond to the U.S. negotiators' suggestion of a three-year period."

The issue of the right of recruits to choose the Federal Army formation in which they would serve has not been solved either, and the Croatian side insists on that. The opinion of the Muslim side is that the Ministry of Defense should decide where and how recruits should do their service, and recruits could express their preferences about place of service and type of armed force. Cengic said that to accept the Croatian attitude would mean to legalize the ethnic division of the Federal Army.

About Command and the Media

The third point of dispute is the establishment of the joint chief command and corps commands. As the deputy defense minister explained, to limit the problem to the joint chief command would mean to retain the present situation. The Bosnia-Herzegovina Army and the HVO already have the joint command (the headquarters), and its effect is obvious. Cengic therefore insisted that the joint command also be established on the corps level, concluding that the Federation of Bosnia-Herzegovina cannot really exist without the Federal Army.

SDA spokesman Ismet Grbo explained the attitude of the SDA toward the activities of the Bosnian media, and stated that they had no major objections. He only said that the Bosnia-Herzegovina Radio and Television was often ignorant about certain actions of the party. In his comment on the announced founding of the Bosnian Muslim television station, he claimed that the SDA was not the founder. "We support the founding of those new media, as it can only improve informing the public. However, we have no reason to support or found any particular media. As the 'Ljiljan' editorial staff decided to form a Muslim television, they certainly know why they are doing so, and we are ready to cooperate with them," Grbo said.

He denied that the SDA might influence a possible arrangement on the division of the state television into national programs. "Only the Assembly of the Republic of Bosnia-Herzegovina, the founder of the state radio and television, can make such a decision," he stated.

B-H: Commentary Views Need To Depoliticize Army

AU1405093396 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 7 May 96 p 4

[Article by Sejad Luckin: "A Gun Loaded With Politics"]

[FBIS Translated Text] The future army of the Bosnia-Herzegovina Federation should be free of any elements of politics, ideology, and religious folklore. That principle is accepted by the Party of Democratic Action [SDA] and the Croatian Democratic Community [HDZ], currently the leading political parties in the Federation, who really have the greatest influence on the existing military structures—the Bosnia-Herzegovina Army and the Croatian Defense Council [HVO].

Therefore, there seems to be no obstacle to the realization of the recent suggestion of Alija Izetbegovic, the president of the Bosnia-Herzegovina Presidency, that the army should be completely depoliticized. It would be logical to expect generals and other officers to leave their parties soon and dedicate themselves solely to their profession.

However, that is only the first impression. Izetbegovic even suggested that officers should not be admitted to the party lists in the upcoming elections. That was the beginning of different interpretations of depoliticization of the army. Edhem Bicakcic, deputy chairman of the SDA, said that the suggestion of that party resulted in the incorporation of the article about the depoliticization of the army and the removal of all national and religious signs into the proposed federal Defense Law.

Troubles With Depoliticization

"It is a modern concept of army, taken from NATO. Our goal is to create a united federal army as soon as possible," Bicakcic said. He added that the SDA would fully implement the decision about the depoliticization once the federal defense law is passed.

"There would be no results if we started now. We are ready to enter the elections without generals, but if the SDA is requested to do that, the other parties would have to do the same. We are ready to accept any European model, but it is the duty of Europe to apply the same in our neighborhood, too," said the deputy chairman of the party, alluding to the regions controlled by the HVO and the Serbian entity.

The HDZ also wants all democratic principles to be applied in Bosnia-Herzegovina, as HDZ Chairman Bozo Rajic said. They agree with the depoliticization of the army. However, just like Bicakcic, he emphasized that the process does not depend exclusively on his party. "We must have the same concept and the same approach," Rajic said about the federal partners.

When asked whether the HDZ was ready to support Izetbegovic's initiative to depoliticize the army and banish generals from the party lists, Rajic gave a negative answer. "I do not support anyone's initiative. We just agree with the process, and we are ready to perform the procedure of depoliticization and deideologization of the army. However, it is important that both parties do so, and they must not be superficial about it."

As to the possibility that the HDZ might give up the HVO officers, their trump card in the upcoming elections, Rajic explained that the complicated situation in Bosnia-Herzegovina should be taken into account, as well as the complicated nature of the politicization process. He also stressed that the HVO staff did not have much influence in the HDZ and the state bodies.

One of the soldiers in prominent positions in the HDZ bodies is General Ivo Lozancic, who is also assistant to the defense minister of Herzeg-Bosna. Dario Kordic, former HVO colonel, was the HDZ chairman for some time. However, after The Hague pressed charges against him for crimes in central Bosnia, he withdrew from politics, as did Gen. Tihomil Blaskic. Other active HVO generals, although they are HDZ members, at least do not participate in public party life.

However, the situation in the SDA is quite different. Brigade Gen. Sakib Mahmuljin, commander of the Bosnia-Herzegovina Army 3d Corps, is a member of the party's Executive Committee, and Gen. Atif Dudakovic and Gen. Fikret Muslimovic are members of the Main Committee. Former Gen. Mehmed Alagic left the Army and is now head of Sanski Most municipality, though the depoliticization of the army would not mean that he would have to leave the Main Committee of the SDA.

All of that makes the SDA reluctant to give a straightforward answer on whether those officers will be on their election tickets in September. SDA spokesman Ismet Grbo suggested that attention should be paid to the circumstances in which they became members of those party bodies, and in which the connection between the SDA and the Bosnia-Herzegovina Army developed. He stressed that Bosnia-Herzegovina did not have an army before the war. There was only the Patriotic Alliance, and the SDA was dominant in it. It was the seed of the Bosnia-Herzegovina Army, and it was logical that its political reactions were of the same origin.

Stipulated Support

Moreover—as Grbo said—those people, those officers, were not only army leaders. They were something of the people's tribunes, organizers of the resistance. Those were the circumstances that brought them to the SDA leadership.

The SDA spokesman further explained that it was the first stage of the creation of the Bosnia-Herzegovina Army. In the following stage, it is necessary for the Army to be professional and depoliticised. However, that stage will be discussed in detail after the elections and after the full implementation of the Dayton agreement, when the conditions for the formation of a united army of Bosnia-Herzegovina are present.

Edhem Bicakcic's reaction to the question whether the SDA is ready to make the first step in the depoliticization of the Bosnia-Herzegovina Army—as the idea was initiated by Alija Izetbegovic, the chairman of the party—was very cautious. He said that one of the duties of the generals in the leadership of the party was to preserve good relations with the Army. Ismet Grbo said that the generals should be allowed to decide whether they would withdraw from politics. "They did not come to the SDA as officers, but as the people's tribunes, as persons with certain qualities. Accordingly, they should be allowed to decide on when they will leave the SDA—or the Army, perhaps. Whatever their decision might be, we will respect their choice," Grbo said.

Obviously, when we try to apply the principles of depoliticization to the actual situation, even to a real action where somebody is supposed to make the first move, the story gets a very different dimension. For instance, Bozo Rajic was not willing to estimate how long it would take for politics to leave the army. "It is a difficult process, but with the help of good intentions and determination it can be done," he said.

Generals Bring Votes

All these facts show that neither the SDA nor the HDZ is prepared to give up control over military formations, in which their influence was critical thoughout the war. To command the army means to have absolute power in the state, or in the territory controlled by the army. Furthermore, the inconsistent implementation of the Dayton agreement—and all agreements on the Federation—does not guarantee to any party that there is no danger of new hostilities. Finally, the contribution of the army and its generals in the election results is substantial—through votes of soldiers and through the respect of the people for army leaders, especially the successful ones.

On the other side, the United States stipulates depoliticization before it will provide help for the modernization of the federal army. The federal politicians must respond if they want to create an army that will soon be capable of confronting a new aggressor. However badly they want an army that would follow their orders, they equally badly need an army that is capable of fulfilling their orders. The politicians simply want a strong and obedient army.

B-H: State Protests Delay in Vacating Bistrik Barracks

AU0905193596 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 9 May 96

[Statement by the State Commission for Cooperation With the United Nations; place and date not given]

[FBIS Translated Text] The Bosnia-Herzegovina Government and the State Commission for Cooperation With the United Nations categorically reject the postponement of the Egyptian battalion's relocation from the barracks in Bistrik, which should house the federation Defense Ministry and General Staff.

The months-long problem involving the Bistrik barracks began with the UN Protection Force and continued with the Implementation Force [IFOR]. In the course of the war, the Bistrik barracks housed the Egyptian battalion. The State Commission for Cooperation With the United Nations and the Defense Ministry offered the Egyptians and IFOR several acceptable solutions if they would move out of the Bistrik barracks. The response to the proposals was extremely slow and the solution to the problem was constantly delayed. Finally, a month and a half ago, [words indistinct] it was agreed with the Egyptian battalion that it would move to a part of the Marshall Tito barracks which would enable the normal functioning of the Republic and Federation governments. Problems arose again when the Egyptian battalion and [words indistinct] requested more time for adapting the premises, which once again delayed their relocation.

In talks with [word indistinct] representatives, Prime Minister Hasan Muratovic, and Amir Hadziomeragic, president of the State Commission for Cooperation With the United Nations, made it clear that further delays would not be accepted and that another 700 Egyptian soldiers would not be allowed to [words indistinct], reads the statement released by the office of the president of the State Commission for Cooperation With the United Nations.

B-H: UN Officials Report on Police, Reconstruction Aid

AU1005150696 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 10 May 96

[Report by Jugoslava Zagorac on press conference of UN Protection Force spokeswoman Susan Manuel in Belgrade on 10 May—recorded]

[FBIS Translated Text] International police forces are particularly active in Bosnia; they help the local police forces, and often prevent or soften incidents such as the organized group attempts to cross the entities' borders, Manuel said. The international police force are comprised of 1,300 officers from 31 countries. The officers are unarmed. These international forces are trying to assess the number and activity of the local police forces in Bosnia, which seem to be the most numerous in Europe. However, the international police force does not wish to interfere with the local police forces' normal activities.

UNHCR spokesman (Marvin El Couri) also addressed journalists. He explained that the UNHCR will not be able to repatriate the number of refugees planned until the end of the year. Some 20,000 Serbs have returned to Mrkonjic Grad and Sipovo, but living conditions are extremely poor. He stressed that the UNHCR had earmarked $35 million for reconstruction in Bosnia-Herzegovina. However, that is just a drop in the bucket, as some 65 percent of all facilities have been destroyed. That is why High Commissioner Sadako Ogata reiterated an appeal to the international community to continue raising funds for reconstruction.

B-H: Muratovic Expects New Credit From World Bank

LD1305215096 Sarajevo Televizija Bosne i Hercegovine in Serbo-Croatian 2000 GMT 13 May 96

[FBIS Translated Text] A delegation consisting of Kresimir Zubak and Ejup Ganic, president and vice president of the Federation, respectively; Hasan Muratovic, president [prime minister] of the Government of the Republic of Bosnia-Herzegovina; Federation Prime Minister Izudin Kapetanovic; and Federation] Foreign Minister Jadranko Prlic has left for Washington. Prime Minister Muratovic told us about the topics that will be discussed in Washington and the meetings our delegation will have with World Bank officials.

[Begin Muratovic recording] We have been invited to attend the forum of the federation and talks with the World Bank on a transitional loan—that is what it is called now, before it was called the reconstruction credit. I think we will complete this round of negotiations. This is a credit that we should receive by the end of June at the latest. It will help to finance the federal budget. This means that we will be given money to operate, to use flexibly, for jobs, for demobilization, for social welfare funds. We are close to finalizing an agreement on it. I expect the agreement to be signed by the end of the month and everything else to be completed now.

In addition, of course, I am part of a delegation invited to attend the forum of the Federation. I think that our preparations for the meeting were good. In Zagreb we reached some relevant agreements, and I believe that the meeting in Washington will be a successful one.

[Unidentified correspondent] What will be discussed in greater detail?

[Muratovic] Special reference will be made to the need for four institutions to secure the functioning of the financial system. We will definitely discuss the defense law and the need for a body that will make proposals for the removal of people who fail to implement signed agreements. [end recording]

B-H: Croats, Muslims Reach Agreement on Local Government

LD1305210096 Zagreb HTV Television in Serbo-Croatian 1730 GMT 13 May 96

[FBIS Translated Excerpt] Initial results have been achieved following the Zagreb talks between top government delegations of the Republic of Croatia and the Republic and Federation of Bosnia-Herzegovina. A previously interrupted session of the Assembly of County Number 6 has been resumed in Travnik.

A law on the interim government was adopted at a session of the assembly of County Number 6 today. An agreement was also reached that the president of the county government should be a Bosniak, while the vice president should be a Croat. The government will be made up of 12 ministries and two ministers without portfolio. The government seat is in Travnik, which is also the seat of the county, while some ministries will be located in other county municipalities.

At the next session of the County Assembly, which is to be held on 17 May, deputies are expected to elect the county government. [passage omitted]

B-H: Presidency's Komsic Receives Delegation on Posavina Refugees

AU1405140796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 14 May 96

[FBIS Translated Text] Ivo Komsic, member of the Bosnia-Herzegovina Presidency and president of the Croatian National Council, today received a delegation of the Council for Return to Bosnian Posavina.

The Council's members informed Komsic about the difficulties that Posavina refugees have in trying to organize a return to their homes. They requested strict observance of the Dayton accords on return and decisively stated that they were not ready to relocate to other parts of Bosnia-Herzegovina and Croatia. Komsic fully supported their efforts.

B-H: Assessment of War Damage to Sarajevo Firms

96BA0260A Sarajevo SLOBODNA BOSNA in Serbo-Croatian 5 Apr 96 pp 16-17

[Article by Vlado Mrkic: "Back to Square One"]

[FBIS Translated Text] The drama of the Sarajevo suburbs is over. After four years of war, they have been returned to the Federation of Bosnia-Herzegovina. Once again, this has made the city a unified whole. The Serbs fulfilled the promise of Momcilo Krajisnik that in departing en masse they would take away "even traffic signs." What they could not take away, they destroyed. The former industrial center, with 11 percent of the population and 20 percent of the total output of Bosnia-Herzegovina, in part by the devastation of war along the lines of conflict, but more in the recent Serbian looting and destruction, has been turned into charred ruins where everything has to begin "from scratch."

We still do not know, and probably will not know for a long time, the final bill which the largest industrial center of Bosnia-Herzegovina and one of the largest in the former Yugoslavia has paid in the four-year war. The talk at the moment is about $2 billion as the value of only the industrial plant which the Serbs took away when they left. However, it should be said that all these estimates are mainly made off-the-cuff, by simply totaling up numbers which have just arrived. The real price of the devastation, destruction, and looting, with all its economic, political, and social consequences, cannot be easily determined at this point. It is not just a question of mere facts, numbers, the total of the machines destroyed and looted and industrial assembly lines, but also of much more longer-term and complicated consequences which will be felt for decades and will influence the development and quality of life throughout this region. It will take that kind of time, that is, for Sarajevo and Bosnia-Herzegovina to reach even the prewar level of development, employment, and technological knowledge. Assuming, of course, that we bring about the conditions, political and economic, to attract considerable capital from the outside world.

These assertions are best supported by the first, still incomplete, figures on the damage to several of the largest Sarajevo enterprises in areas just reintegrated.

Energoinvest of Stup—$500 Million

After the city was integrated, Energoinvest took back under its control several very important locations which during the entire war were on the very front line or in its immediate vicinity. The most important are certainly the industrial zone in Stup, a dozen gasoline stations at various locations, and the terminal at Blazuj.

The industrial zone in Stup was one of the best-equipped of this kind in the former Yugoslavia. This was a center for prestigious and world-class technologies which Energoinvest had mastered in its institutes, mainly located right there. They are: Institute for Automation and Computer Sciences (IRCA), Institute for Heat Engineering and Nuclear Engineering (ITEM), Welding Institute (IZE), Quality Control Institute, Institute for Materials, Institute for Protection, etc.

Abdulharis Seta, managing director at Energoinvest, told us:

"This was the nucleus of development, Energoinvest's brain. The technologies mastered at that site were later applied in various production plants all over the former Yugoslavia. The estimated value of all the institutes was about $60 million. This is, of course, the accounting value. In fact, it was immeasurably greater because of the importance and the role which they had."

According to Abdulharis Seta, the most expensive facility at Stup was the Thermal Apparatus Factory (TAT), a very profitable production plant whose value was estimated at about $200 million.

Then there were the production plants which based their development on technologies mastered in the field of automation and computers, one of the youngest, but most important fields under development in the enterprise since the beginning of the nineties. This includes robotics, computer technologies, telecommunications, all confined to the "high-class" industry which among other things suits an urban community from the environmental standpoint, and it employed more than 60 percent of the specialists.

Then the computer center was also at Stup, among the first to have been built in the former Yugoslavia; its value was about $10 million. Just before the war, the most up-to-date equipment was acquired from the United States and had not been altogether installed.

Of more recent date was the Motor Drive Plant, whose purpose was to round out the technology of fittings, products which held one of the leading places in Energoinvest's efforts in the outside world and which brought in excellent earnings.

Finally, there were the service activities: restaurants, a dozen offices of medical specialists, and so on, whose value was about $1.5 million.

Summing up these figures, Abdulharis Seta says that the total damage at Stup was about $450 million. To be sure, the commissions are still in the field, they will ascertain the amount of damage according to rules applied on such occasions. However, the destruction was such that little is left, so that it can be confidently said that everything has to be built up from the ground at Stup.

FAMOS—400 Million Marks [DM]

The direct damage at FAMOS is estimated at about DM400 million. That was reported the other day to foreign delegations who visited this once strong and well-known factory in Hrasnica.

Before the war, the former SOUR [complex organization of associated labor] had four enterprises in Hrasnica alone with about 6,000 workers, and a total of seven, employing 15,000, all over the former Yugoslavia. Right up until cessation of hostilities, this industrial complex was on the very line of division. The smaller part was held by the Army of Bosnia-Herzegovina, some was in no-man's-land, and the rest was held by the Serbs. According to some reports, they organized production in their part to meet the needs of their Army, because they had the part in which special-purpose production had been organized even before the war, the manufacturing of gearboxes for tanks and the assembly of armored combat vehicles for infantry.

Under the Dayton Agreement, FAMOS still remains on the very border between the two entities. It is perhaps the only case of a factory mostly belonging to the federation this time, while the smaller portion goes to the Srpska republic. The border passes right through the factory.

When peace came and the border was drawn, the disassembly and carting off of machines began. Everything was carried away which could be carried, and the factory buildings were mainly left empty. The Serbs put the expensive machines in a stadium in Vojkovici and covered them with plastic.

Before the war, FAMOS sold a third of its products to Serbia and Montenegro, another third it sold to the former JNA [Yugoslav People's Army], and it managed to market only a third of its products on the Western markets, although it was looking for partners for development there. Its principal partner was Mercedes-Benz, and just before the war it had begun to establish ties with TAM in Maribor.

UNIS—A Billion or Two

About 40 percent of the industrial facilities in Sarajevo before the war belonged to UNIS. During a recent visit of a representative of VW AG of Wolfsburg and a conversation conducted a few days ago in Sarajevo with representatives of our enterprise, the most recent figures have been presented on the damage which this once large system experienced. Little is left of the factories in Vogosca, Blazuj, and Ilidza, and the value of their output just before the war was estimated at about $550 million. In Vogosca alone, UNIS employed about 10,500 workers, and on the territory of Sarajevo more than 15,000.

In Vogosca, the damage done to the factories varied from one to the other, but mainly it can be said that little is left of them. Nevertheless, it seems that the Serbs were to some extent surprised by the sudden entry of the federal government, so that although they were disassembling the equipment and carrying it off to the last moment, even before the eyes of visitors from the federation, something did remain, especially parts of the infrastructure and underground installations. Had that not been the case, the damage would surely have been still greater. Faruk Smailbegovic, M.A., general director of UNIS Holding Company, says:

"The damage in our factories in Vogosca, Blazuj, and Ilidza amounts to about $1 billion, and on the territory of Sarajevo, if we also include the indirect consequences, perhaps even 2 billion."

Following a visit to the former Automobile Factory in Vogosca, in which VW AG and UNIS invested jointly on a 50-50 basis, Udo Stolz, one of the directors in the team of a dozen experts from Germany who made a tour, said that the factory will never operate again and that this is its definitive end. The annual value of trade in both directions was about DM800 million just before the war.

"All the plants of TAS have been destroyed, and there is no longer anything there that might be used," Stolz said in the final talks in Sarajevo.

The same is true of Pretis' special-purpose products factories, although there are little data about them and there is little talk about the damage inflicted by the bombing of NATO planes. At the time of the bombing itself, it was reported that the factories for production of ammunition, among the largest in the Balkans, were completely destroyed. All the machines were also taken out of the Bearings Factory, where inventories on the eve of the war included finished goods valued at some DM10 million.

The gas equipment factory in Blazuj was among the most up-to-date in UNIS. Most of the output, valued at about $4 million, was intended for export. All the machines were carried away.

The large UNIS production complex at Ilidza employed about 1,000 workers, whose annual output was worth about DM50 million. The most important was the production of bicycles in the Lasta Factory, which every year marketed about 170,000 bicycles. Traffic signs and ski equipment were also made there. During the war, the Serbs made license plates with new markings, traffic signs, and even built some new buildings at Ilidza. When they left, they burned most of the factory, except for the painting department and department for the production of ski bindings.

Bosnia-Herzegovina—A Hundred Billion

We have mentioned only some of the most drastic examples of the destruction and looting of factories which provided a livelihood for hundreds of thousands of people. Other firms once strong and rich fared no better. Nevertheless, it is difficult to say with certainty what the complete and final sum of damage is. This is confirmed by the fact that during all the years of the war no criteria were ever established to assess the damage, although more and more fresh figures were being constantly presented, especially for the world public.

On the basis of a decree with force of law, the first methodology for ascertaining war damage in Bosnia-Herzegovina was worked out back in mid-1992. A few months later, in November, the government formed a commission for taking an inventory and estimating war damage; in addition to representatives of ministries and government organizations, its members also included a certain number of specialists and scientists. A year or two later, that commission ceased its work, and it did not leave behind either a methodology or any visible result.

In mid-1995, Ceteor of Sarajevo, a private enterprise for expert evaluation and transfer of know-how headed by Dr. Aleksandar Knezevic, published its own methodology on assessment of war damage inflicted on property and business operation in Bosnia-Herzegovina. The government did not accept it. During that year and the next, a preliminary report on damage in the economy was done in the Economic Chamber of Bosnia-Herzegovina on the basis of its own methodology. According to that research, total direct war damage was estimated at $100 billion. This was arrived at from figures supplied by enterprises. Nothing was done to establish indirect war damage.

At the suggestion of the city's Planning Bureau, as part of the strategy for reconstruction and development being worked out, the Executive Committee of the Municipal Assembly engaged a team of experts to establish the amount of war damage in the city's economy. It was made up of eight experts from the Economic Chamber, institutes, and universities. Taking into account experiences in the previous attempts, the team was supposed to prepare a valid methodology that would encompass direct and indirect war damage, and it was supposed to serve as an example for other cantons in the federation. The figures thus processed and brought together were supposed to be helpful in establishing total war damage inflicted on the state of Bosnia-Herzegovina, the condition of production capabilities of industrial plants, and repairing their damage.

[Box, p 17]

Accelerator

Energoinvest's locations in Stup even lost a nuclear accelerator, specific equipment for nondestructive testing of materials. This device was installed in a special bunker whose doors weighed 18 tons. It was disassembled, packed up, and carried away.

[Box, p 17]

UPI—DM450 Million

According to figures presented recently in a press conference at UPI Holding Company, total damage to UPI facilities in the city amount to about DM300 million, and another DM146 million in the integrated suburban areas. Quite a bit of preserved property remained on the reintegrated area. The greatest damage was suffered by UPI Pak-centar, about DM33 million.

B-H: Progress of Sarajevo Reconstruction Criticized

96BA0260B Sarajevo SLOBODNA BOSNA in Serbo-Croatian 5 Apr 96 pp 18-19

[Article by Jelena Mrkic: "Reconstruction and the Last Days of William Eagleton"]

[FBIS Translated Text] In March 1994, Resolution No. 900 of the UN Security Council appointed a special coordinator for Sarajevo whose task was to draw up a plan for reconstruction of the city's vital functions and to work to implement it in cooperation with local authorities. The plan was, of course, prepared and presented quickly—at the international conference in Vienna in May of the same year. It covered 144 reconstruction projects in 14 areas. In all, the funds necessary to carry it out amounted to about $600 million. Everything was conceived and planned to the last detail. A brighter future smiled on Sarajevo, the time of reconstruction and construction was supposed to come after the time of devastation and destruction. Promises came in from all sides. Europe, America, the Islamic and the non-Islamic countries. It would be a joke for Sarajevo to get $600 million. And a joke it was.

Then came the first donor's conference in New York on 29 June 1994. The promise was $75 million. Modest compared to what was needed. Of those 75, 10.7 million were paid. A deception compared to what was promised.

"The complicated and lengthy procedure of approving projects and their financing" was given in the report of the Sarajevo Directorate for Reconstruction and Development as the reason why reconstruction of Sarajevo has been delayed for two years.

"The total funds collected in this fund are less than modest compared to the funds promised and to the city's urgent needs. Rapid mechanisms for approval and financing of projects cannot ordinarily be expected even in bilateral arrangements, with the exception of organizations which have in their mandate a rapid-action mechanism already installed," the report said. The optimism, then, subsided. There is money, but it is outside in the world and on paper. How is Sarajevo to get it? By bringing profit to investors.

Signatures and Dollars

The second conference of donors was held in Vienna in June 1995. A film and a catalogue on renewal of Sarajevo were presented, and all of this aroused immense interest. But the city was once again the target of shelling and snipers, and investing in it would have been a very risky thing. Even too risky, it seemed. So that reconstruction of the capital of Bosnia-Herzegovina, once Europe's cultural center, was postponed. Until the next peace, and even it has come. The Dayton Agreement, the Paris Agreement, and the Washington Agreement have been signed. Signatures on donations for Sarajevo are much less common than signatures on peace agreements. Those responsible for this entire effort say that they have had modest results. They have collected 10.2 percent of the amount promised.

According to figures which we obtained in the Municipal Assembly, the office of Mr. William Eagleton, the American who is supposed to raise Bosnia from the ashes, employed about 40 or so people, including managers, chauffeurs, managing directors, etc. William Eagleton received a salary for the job he held plus 13 percent for each project carried out. A rough estimate of people in the Assembly indicates that he spent about $5 million in the less than two years he spent in Sarajevo with his associates. That is half of the figure invested at that time in Sarajevo.

"Eagleton did nothing specific. This was all work on the infrastructure, underground, everything we cannot see," says a source who wishes to remain anonymous.

Although the Trust Fund was formed all of two years ago, and was to be used to collect and forward the money for Sarajevo, only 11.2 percent of the funds collected went through that fund. If there is room for the Trust Fund, there is also room for the other humanitarian, management, government, nongovernmental, and similar organizations. For instance, the World Bank and European Bank, which incidentally are among the largest investors, although there is no contract to that effect, operate through a firm which is called IMG, the International Management Group. IMG was formed during the war by the governments of 16 European countries. As the very name indicates, it is concerned with assessments and management. This is what this looks like in Sarajevo: It gathers figures which the city has mainly already gathered, it submits the project for approval and obtains approval for something which either the city does not need at all or does not need in that form. Example: The director of the water department drew up a list of priorities for that firm, and the amount needed to purchase those things was over $1 million, and he gave the list to IMG. In the Dutch firm Benimex, which is responsible for this material and was established during the war, the expensive equipment was acquired, and kilometers of pipe which do not fit the system here were delivered to Sarajevo.

Now that we are talking about pipe and earnings, pipe was sent to Bosnia from France which had been lying around for years and was supposed to be presented as a gift to Saudi Arabia, but they did not want it. The pipe arrived in Sarajevo and went back.

Per Diems of 1,000 Marks [DM]

The European Community set aside 60 million ECU's [European Currency Unit] for Bosnia-Herzegovina. Although this money was supposed to go right into the Bosnian treasury, execution has been different. The reason: There is no one in Bosnia responsible for going to Brussels and writing up the project. No one is doing this, no one is going to pay the man to do it. Which has provided an excellent occasion for various organizations from Italy, Germany, France, and other countries, whose representatives do go to Brussels, to gather data, file application, and obtain projects. For a commission of 13 percent.

A large portion of the funds intended for Bosnia and Sarajevo will go to firms and organizations who were quick off the mark and saw lucrative business. All the funds needed and intended for Bosnia cannot be obtained this way.

"Eagleton's job was to get those funds. His only job was to dream about money, nothing else. And he did not do that. There are several reasons why. One is that the war continued after Resolution 900, and they did not anticipate that. No one wanted to give money for a country at war. And then there is also our incompetence. We can all share the blame. They were supposed to find the donors, the leads, we were supposed to follow them up. This can be done very easily, but no one is concerned with that here," we were told in the Municipal Assembly. It seems it would have been too much trouble to spend the funds only in Bosnia, to buy bricks in Visoko, and cement in Kakanj. The average salaries of foreigners employed in various organizations amounted to about $10,000. The salaries of the "domestic" workers in that same place were considerably lower—between $1,000 and $3,000. When projects for repairing the water supply system were examined, the foreign experts were supposed to sell their knowledge at a per diem of DM1,000. Half for the work, half for the war risk.

Last December, a conference on reconstruction of Bosnia-Herzegovina was held in Brussels. Coming together, 26 countries from all continents, the European Union, the World Bank, the EBRD [European Bank for Reconstruction and Development], and the International Olympics Committee promised $541.86 million for Bosnia. At the Foreign Ministry, they say:

"Take Japan for example. Japan went to that conference and said: 'We will give $50 million for Bosnia.' And it left the conference."

New Promises

Fulfillment of what was promised still lies ahead. We still do not know if and when the Japanese dollars will get to Bosnia, by what route, and by way of whom. The list of countries and amounts of their investments is reminiscent of the list from the singing competition over Eurovision. In one column, the countries making the promise, and in another parallel column, the amounts promised. Belgium did not promise anything. Bulgaria the least—$0.01 million. San Marino—0.08, Luxembourg, Hungary, South Korea, and Ireland—1 million each. That is how the list looks from the bottom up. At the top are the United States and Japan, each with

50 million, then the Netherlands with 41.60, and Italy, Switzerland, and Great Britain with 20 million each. The World Bank alone—$150 million.

Perhaps now the public transportation sector will get the remainder of the DM90.72 million foreseen and requested. The value of what has been realized is DM1.069 million. This is a figure which boggles the mind, especially when you compare it to the previous one.

Expenditure of DM29.26 million was envisaged in the communications sector. "Because of the unexpectedly poor response of donors," DM183,000 were obtained and spent.

"The donors are saying absolutely nothing about their future intentions," say those responsible for reconstruction in the educational sector. The funds needed exceeded DM30 million, and slightly more than 5 million have been obtained. Everything "suggests the conclusion of approximately complete lack of coordination even in the further phases of obtaining money for a thrust in continuing these activities which have been initiated in only a symbolic way."

How inadequate these amounts are for everything that needs to be done is indicated by the fact that the DM14,683 were spent for a temporary repair on Cobanije, the most seriously damaged bridge in Sarajevo.

The main highway from Mostar to Sarajevo could not be repaired with DM270,000, which is the amount so far invested in that road. The funds have been requested, but they have not been approved, nor have the funds to protect the Igman road last winter. Of the many projects drawn up for the past and upcoming period, perhaps the project "LINKS" has the best prospects: It was initiated in 1995 by three associations of European cities. Under that program, 35 million ECU's were approved for 1996 for all of Bosnia, although for now projects are being planned only in Sarajevo. The first of them is to rebuild the Heroes Square settlement, for which about DM5 million have been announced.

What Is Left in the Bottle?

"I personally was skeptical about implementation. So far, the work has been completed by the management team, projects have been submitted for approval by the city of Amsterdam. At one time, I was against that, because we have a different approach. Instead of our choosing the locality on the basis of urgency, the donor was chosen. I was already expecting an answer and money, because we have enough paper, we are always afraid that it will never get beyond the paper stage. But we keep on hoping," says Said Jamakovic, city secretary for land use planning, municipal affairs, and environmental protection.

The Memorandum of Understanding, which was the basis for that document, was adopted half a year ago, and the document itself in February. The money has been approved in principle, but until they get the money the people in the Municipal Assembly do not believe in anything.

"I would not blame anyone, because the involvement of those organizations is in our interest. You always have to see how full the bottle is, not how empty it is. We are interested in what is left in the bottle. I doubt that anyone has been satisfied with the donations which have reached Sarajevo. We expected that the Eagleton team would have much more impact on donations, that we would receive much more. And although I do not have reliable information, I am terribly upset when I compare the number of people who are here with the amount of aid which we have received. What is more, we were just told today that a year ago computer equipment arrived in Eagleton's office, a gift from Eurocity to our city and it is still in the same office," Jamakovic said.

It is much better to accept all that than to refuse, regardless of the result, is the motto in effect in Sarajevo. Not only when it concerns reconstruction and rebuilding, that is also the case in the cultural area.

When the New Year's concert was held in the National Theater, the city asked the organizer, Stokin Vajs, to pay $100,000 in advance. That money was intended for the city's priority needs. Otherwise, the concert could not be held, it was said. The money was not paid, but "a high official of the Government of Bosnia-Herzegovina" called the Municipal Assembly and said that holding the concert was in our interest, so the concert was held. The Assembly got nothing, but out of the immense amount which was requested, Television Bosnia-Herzegovina did receive $20,000 for broadcasting the concert.

"We are always the ones who are tricked and deceived. While we were highly interesting and a hot potato in Europe, intelligent people in business realized that they could make money on Bosnia. This is take it or leave it. And we can only shake our heads," they say in the Assembly.

William Eagleton's mandate runs out in May. What is done is done as far as his rebuilding anything. We can console ourselves that it was not up to us. In recent days, the world has been promising new money for Bosnia. So, onward and upward.

B-H: Diplomatic Relations Established With Iceland

AU1305192096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 13 May 96

[FBIS Translated Text] (Gunar Falson), ambassador of the Republic of Iceland to the United Nations, and Bosnia-Herzegovina Ambassador Muhamed Sacirbegovic signed a joint communique on the establishment of diplomatic relations between the Republic of Bosnia-Herzegovina and the Republic of Iceland at our country's Permanent Mission to the United Nations in New York today.

Ambassador (Falson) expressed great interest in the current situation in Bosnia-Herzegovina, particularly regarding the IFOR [Implementation Force], efforts (words indistinct) return of refugees, and elections.

Croatia: No Official Reaction to Council of Europe Decision

AU1405171296 Paris AFP in English 1703 GMT 14 May 96

[FBIS Transcribed Text] Strasbourg, May 14 (AFP)—The Council of Europe postponed Tuesday [14 May] a decision on admitting Croatia to the 39-nation pan-European body, saying Zagreb needed to make further progress on democracy and human rights before it could join, officials said.

Opponents of Croatian membership cite difficulties in resettling Serb refugees in their former homes in Croatian territory and crackdowns on press freedom.

They also pointed to the status of the Bosnian city of Mostar, still divided between Moslems and hardline Croats, whom Zagreb is suspected of supporting.

In Zagreb, there was no official reaction to the Council's rejection. The Croatian presidency declined to make an immediate statement, while officials in the foreign ministry were unavailable for comment.

"The committee of ministers noted Tuesday that it was a long way from the necessary consensus for a favourable decision on Croatian membership," a Council spokesman said.

It is the first time in the organisation's history that an application for membership has been rejected by the executive body after being accepted by the parliamentary assembly. The Council's assembly voted on Zagreb's application in April.

Croatia's progress on democracy and human rights issues will be reexamined by a Council working committee on May 30, the spokesman said.

Croatia: Doubts Over Admission to Council of Europe Noted

LD1405161996 Belgrade TANJUG in English 1401 GMT 14 May 96

[By Savan Tomasevic]

[FBIS Transcribed Text] Zagreb, May 14 (TANJUG)—Following the recent green light given by the European parliament for Croatia's admission into the Council of Europe, news arriving from Strasburg is starting to make the Croatian authorities nervous because things are not progressing as desired.

According to information that even leaked through media loyal to the state there are real possibilities that ministers of the Council of Europe delay the discussion on Croatia's admission to the important European institution.

NEDELJNA DALMACIJA, close to the government, wrote in its latest issue there were complications for Croatia in Strasbourg and that 'it is absolutely certain that Croatia will not be on the agenda this month.'

Before the opening of the discussion at the recent session of the European Parliament Croatia agreed to fulfil all demands posed for its entry into the Council of Europe.

There were 21 specific conditions posed to Zagreb, and as guarantees they would be carried out they were signed by President Franjo Tudjman and Parliament Speaker Vlatko Pavletic.

The demands cover guarantees for the respect of human and national rights to the Serb population, including allowing the return of Serb refugees, freedom of the media and democratic end to the political crisis regarding the election of the Zagreb mayor.

Europe is showing this time that just putting your signature on paper is not enough, but that implementing the underatken commitments is also needed.

Zagreb was therefore informed by Strasbourg that crackdown of the media and wrangling over the election of the Zagreb mayor are not compatible with membership in the Council of Europe.

Financial pressure on independent RIJEKA NOVI LIST, police interrogation of editor-in-chief and journalist of the independent weekly FERAL TRIBUNE, closure of premises of the PANORAMA paper, threats of dismissal of journalists in VJESNIK are only the latest examples of the regime's pressure on the media.

The Zagreb political crisisis is getting more complicated and the opposition is prevented from taking over local authority on the basis of the election results.

Realising the extent of European and international pressure the Zagreb authorities have started making different moves ahead of the ministerial meeting in Strasbourg, to soften those who will decide about Croatia's admission.

For example, the Croatian Constitutional Court rescinded the government decision on disbanding the legally-elected Zagreb municipal assembly, payment of NOVI LIST customs and tax fines was deferred and the PANORAMA premises were opened allowing the paper to resume work.

Croatia: Germany's Kinkel Reminds Zagreb of 'Obligations'

LD1405161396 Belgrade TANJUG in English 1608 GMT 14 May 96

[FBIS Transcribed Text] Zagreb, May 14 (TANJUG)—German Foreign Minister Klaus Kinkel has drawn Croatia's attention to obligations it undertook in return for its international recognition in 1991, including the obligation to grant autonomy to regions where a minority makes up the majority population.

Speaking in an interview to the Tuesday issue of the Rijeka daily NOVI LIST, Kinkel said that Croatia had to make every effort to fulfill what it had pledged to do.

Germany advocated Croatia's independence and international recognition, but in return, Croatia had to assume a number of obligations written down in the December 1991 E.U. [European Union] statement on Yugoslavia, Kinkel said.

They included provisions on building a state ruled by law and democracy, human rights of national and ethnic groups, which in the case of Croatia primarily refers to Serbs, and autonomy for the regions where they are the majority population, Kinkel said.

Croatia, like any other country, has to fulfill conditions for its admittance into the Council of Europe, Kinkel said but added that there existed some "specific obligations."

They include the possibility for the return of Krajina Serbs and Serbs from other regions, cooperation with the international criminal tribunal for the former Yugoslavia, full support to the Dayton peace agreement and correct implementation of the Serb-Croat agreement for East Slavonia, Baranja and West Srem.

Croatia: Kljuic Says West Helps Bosnian Extremists

BR1505103196 Copenhagen INFORMATION in Danish 14 May 96 p 5

[Report on interview with Croatian Republican Party Chairman Stjepan Kljuic by Thomas Hjortso in Sarajevo; date not given: "West Helping Bosnian Extremists"]

[FBIS Translated Text] Sarajevo—"The Bosnia-Herzegovina peace agreement is today only a military agreement to separate two armies," Bosnian politician Stjepan Kljuic said. He also complained that the West has not supported the civilian part of the peace agreement which is supposed to bring the three ethnic groups together. He pointed among other things, to the lack of support for Carl Bildt, who is responsible for the civilian part of the peace agreement.

"The West pressured us into making a peace agreement with good ideals, such as human rights and a multicultural society, but ignores us when it comes to realizing these ideals," he said.

Stjepan Kljuic was also critical of war criminals not being arrested.

Carl Bildt also stated that the fact that war criminals are isolating the Serbian part of Bosnia is a growing problem.

Stjepan Kljuic explained: "As long as war criminals like Serbia's Radovan Karadzic and General Mladic are in power, the Serbs will continue to pursue aggressive policies rather than cooperate. If these two are arrested, it will be an important signal for other Serbian extremist leaders, as well as their spiritual leader, Momcilo Krajisnik."

Krajisnik, president of the Serb parliament in Bosnia, is said by many to be the real leader of the Serbs.

Popular Politician

Stjepan Kljuic is one of the most popular politicians in the part of Bosnia controlled by the Muslim-Croat federation. He is a Croat but spent the entire war in Sarajevo.

His popularity is due, among other things, to his strong commitment for a Bosnia with room for all ethnic groups: Croats, Serbs, and Muslims. For this reason he broke with President Tudjman of neighboring Croatia in 1992, who seemed most interested in splitting up Bosnia.

Stjepan Kljuic is a member of Bosnia's presidential council, which officially constitutes the country's main leadership body. But the presidential council has been sidelined, and power today rests with the government parties: the Muslim SDA [Party of Democratic Auction] and the Croatian HDZ [Croatian Democratic Community].

These two parties, together with the Serbian SDS [Serbian Democratic Party], led by Radovan Karadzic, are the nationalistic parties. Their policies are leading to Serbs, Croats, and Muslims each getting their own area in Bosnia. Opposed to the nationalistic wing are the nonnationalistic parties. This is the division today in Bosnian politics. Stjepan Kljuic is chairman of the small Republican Party.

"It is a center party with a slight tendency to the right," he said. He has established cooperation with other nonnationalistic opposition parties.

"The parties which took part in starting the war, such as the SDA and the HDZ, cannot end it," he said, explaining why cooperation has deteriorated in the federation of Croats and Muslims.

Opposition Ruined

He also criticized the West for turning only to the nationalistic politicians who are in power and not to opposition politicians like himself.

According to Kljuic, the opposition parties have an urgent need for economic support.

"If NATO forces withdrew one day earlier and gave us the money left over for that day, we would have more than enough."

"I have been in Scandinavia twice—one of the times was in Denmark in the spring—and I often hear that I am the man of the future. But this is never demonstrated in economic support," Kljuic said.

"We have difficulties getting paper for our newspaper, and we have little money to print it. And we do not have money to print campaign posters for the election in September. The opposition needs a common printshop."

Kljuic also complained that his party members are unable to appear on television. Bosnian television is dominated by the leading party, the SDA.

"The election will never be conducted properly until the media are opened up," he said.

One of the major questions concerning the election in the federation of Croats and Muslims is the role of former Prime Minister Haris Silajdzic.

He recently formed his own party, which together with the SDA is expected to be the heavyweight.

But many doubt that Haris Silajdzic's break with the SDA is real. They think it is a ploy to attract more votes for a future coalition of Silajdzic's party and the SDA. But Stjepan Kljuic implied that the five nonnationalistic parties will support Silajdzic during the presidential election.

"Before the election, we will find out whether Silajdzic's party is a trick. But Silajdzic is an ambitious politician, so I think he is serious and is aiming at the office of president," Kljuic said.

Expulsions Approved

There has been considerable debate about the election rules, which were presented recently by the OSCE (Organization for Security and Cooperation in Europe). The election rules are also criticized by Stjepan Kljuic for legalizing the expulsion of other ethnic groups, for which the Serbs in particular have been responsible.

According to many politicians, the expulsions are made permanent by allowing displaced persons to vote in the communities where they live now.

[Hjortso] But can you force those expelled to go back to vote in communities which are still governed by those who initiated the expulsions?

[Kljuic] We do not want to force anybody to return to vote. But the political objective must be to undo the effect of the expulsions. Under the present rules, most of the expelled Muslims and Croats will vote in the federated part of Bosnia. That means that in many places Croats will be in the minority, because more Muslims have moved there. [Kljuic ends]

He said that instead there should be the same rules as in the local election in Mostar, which are scheduled to take place at the end of the month.

The rules only give the right to vote to citizens who lived in the electoral district before the war—and today that is only every fourth inhabitant.

Stjepan Kljuic is an optimist in spite of everything.

"The inhabitants want a united Bosnia, and this will come sooner or later, but it would happen more quickly with the West's help," he said.

But many others say that Bosnia is being divided into three.

"If that happens, I will remain living in Sarajevo for the rest of my life and fight for human rights," Stjepan Kljuic said.

Croatia: Hadzic Accepts Slavonia's Reintegration

AU1505075796 Belgrade BORBA in Serbo-Croatian 11-12 May 96 pp 6-7

[Interview with Goran Hadzic, "president of the Serb Region of Eastern Slavonia, Baranja, and Western Srem," by Mila Jankovic and Aleksandra Mikata; place and date not given: "The Will of the People Will Be Respected"]

[FBIS Translated Excerpt] [BORBA] Asked to comment on the controversial information on the emigration of the Serb population from the Region, Goran Hadzic said:

[Hadzic] I solemnly assert that the emigration has stopped. Since the meeting in Vukovar at which a new leadership was elected (the previous authorities had not been elected by the will of the people), the process of emigration has definitely stopped, although it was never actually a fact. In other words, taught by the bitter experience of the people from Krajina, many people, most frequently the better off, had begun to move their belongings to Serbia, where they had to pay high storage costs of about 200-300 German marks a month. This has now stopped. I must stress that there are certain groups of people who, despite everything, are encouraging emigration and spreading rumors that the current authorities are not functioning. We have done everything we can to prevent this, and I am convinced that we will succeed.

[BORBA] Can you tell us whether these people have been identified, and what their influence on the destabilization of the situation in the Region really is?

[Hadzic] These people live in the Region. Their "involvement" has not assumed large proportions. Nevertheless, they are dangerous. I think that the problem concerning them will definitely be solved next week. Of course, all this must be solved peacefully, through talks, as all conflicts in this area, especially among the Serbs, must be prevented. Anything that could lead to conflicts could have catastrophic and tragic consequences.

[BORBA] Vukovar used to elect its leaders from people whose families live and work in the area. Has the same criterion been applied in the case of the new government?

[Hadzic] The time of war is over, and with this the views that only those who participated in it can lead the state. When we were electing the government, we did not look at the political inclination of the people but primarily at how capable they are. [passage omitted]

[BORBA] Slavonia and Baranja have accepted about 80,000 refugees from the Knin Krajina. Are the refugees still arriving there, and are there any cases of the Croats beginning to come back?

[Hadzic] Refugees are not coming any longer, at least not in significant numbers. They currently make up about one third of the population. According to the Erdut Agreement, they all have the right to stay here, just as the Serbs from other parts of Croatia have the right to come here. The same applies [illegible] Croats who want to live together with us. After all, this is the only part of the Croatian state that is multiethnic. For instance, 30 percent of Baranja's population is non-Serb. As you know, the Croats have cleansed the other parts of their territory.

Of course, conditions must be created for the Croats to return. Factories exist, and with small investments this can be made possible. The Croats who want to return must accept the existing composition of the population. Judging by the interviews I have seen on Croatian television, they mainly say that they would gladly come back, provided there were no Serbs there. Conditions must also be created for the Serbs to return. The stories that the Serbs will have to live in tents when the Croats return are not true. This cannot happen until they are found new houses or until they are compensated for their lost property.

[BORBA] You did not attend the opening of the oil pipeline or the highway. What happened?

[Hadzic] The problem is exclusively of an organizational-technical nature. On the way to Sotin, my car was stopped by the Nepalese battalion. They did not want to let me through as they had not been informed that I was coming.

[BORBA] Is it possible that they did not know who the president of the Serb Region of Eastern Slavonia, Baranja, and Western Srem was?

[Hadzic] That is possible, of course. I have sent a protest note to the United Nations and asked them to ensure that people are given the relevant basic briefing before they are sent out in the field. The problem in fact emerged in Zagreb where General Klein had some misunderstandings with the Croats over protocol.

[BORBA] Since you have mentioned General Klein, what are your relations with him and the UNTAES [UN Transitional Administration for Eastern Slavonia] members like?

[HADZIC] I would say that our relations are very good and that General Klein enjoys great trust among the people. It appears that he worked out very quickly what the problems in relations here are. When he appeared as a guest on Croatian television, I noticed that he took an exceptionally neutral, I would say, fair, stand. I therefore believe that he will end his mission honorably, and not in the way the Croatian "hawks" want him to.

[BORBA] A few days ago the news came from Zagreb that you have not been included in the Law on Amnesty that the Croatian Government has proposed to the Assembly. Would you like to comment on this?

[Hadzic] First of all, the Law on Amnesty must be passed for all Serbs from Krajina. I personally condemn war crimes and if I knew that there were people in the Region who have committed crimes I would order them to be arrested and put on trial. Unfortunately, the Croats consider most Serbs to be war criminals, even those who have never stepped on Croatian soil. I do not want to comment now on my being omitted from the law. I do want to point out, however, that I was arrested by the

Croatian police in Plitvice in 1991 and was tortured to the extent that my health has been adversely affected. I started proceedings against President Tudjman, but the summons to appear in court was not sent to him as the Croatian PTT [Post, Telephone, Telegraph] did not know which address to sent it to. I also want to remind you that I became the leader of the state in February 1992, by which time all the combat activities had stopped. After that the only events that happened were the crimes in Maslenica, Medacki Dzep, and Knin.

[BORBA] When people talk about the integration of the region many see in this room for various misinterpretations and even manipulations.

[Hadzic] We must be aware of the fact that the AVNOJ [Anti-Fascist Council of People's Liberation of Yugoslavia] borders have been recognized by the world. We do not have any intention of raising this issue. However, we do need to reach an agreement on the minimum conditions under which the population should integrate into Croatia's constitutional-legal system. In everything else, we will be Croatia to the same extent we were 50 years ago.

[BORBA] Has the minimum of conditions under which the Serbs will accept integration been set precisely?

[Hadzic] We did not start the war against the Croatian state but against the policy that was pursued in it. I cannot say precisely at this moment what these conditions will be, because the people are supposed to decide them. In any case, I am sure that this region must be demilitarized and that it must be made possible for us not to serve in anyone's army....

[BORBA] Are there perhaps plans for the people to vote on these issues in a referendum?

[Hadzic] A referendum has not been planned, but we will find out what the people want exactly. I think that one should be balanced and cautions about these issues. The people should be given several choices and allowed to chose themselves. [passage omitted]

FYROM: Russian Military Delegation Visits Skopje

AU1505095796 Sofia Khorizont Radio Network in Bulgarian 0900 GMT 15 May 96

[FBIS Translated Text] It is necessary to institutionalize cooperation between the Defense Ministries of Russia and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in more spheres, especially within the framework of the Partnership for Peace program. This was pointed out at a meeting at the Macedonia Defense Ministry between Blagoj Handziski [Macedonian defense minister] and a Russian military delegation that is visiting Macedonia. Our correspondent Gospodin Filipov reports from Skopje:

[Begin recording] This is the first Russian Defense Ministry delegation to have visited Macedonia since the disintegration of former Yugoslavia. As reported today, at the talks between the Russian military and Blagoj Handziski and the deputy head of the General Staff, Manasievski, specific forms of cooperation between the two countries' Armed Forces was discussed.

Without officially reporting this, some local media think that the delegation will visit certain Macedonian enterprises that produce spare parts for military equipment, or repair such equipment. This probably lends a measure of truth to the rumors that have been disseminated in the last few weeks, according to which Macedonia is importing or intends to import weapons for its Army from Russia. Recently, Defense Minister Handziski was asked in parliament whether Macedonia intends to purchase certain kinds of military aircraft from the Czech Republic, and how this is compatible with Macedonia's wish to join NATO. He answered that such purchases do not exclude Macedonia from possible and full NATO membership, and they do not go against the conditions for joining the Alliance. However, there is no full clarity on this issue. The local DNEVNIK described the Russian delegation's visit as semisecret, and asked the Macedonian defense minister to reveal what was actually discussed with his guests from Moscow. [end recording]

FYROM: LP Alleges Cover-Up in Assassination Attempt

AU1505111196 Skopje DNEVNIK in Macedonian 11 May 96 p 14

[Commentary by the editorial board of LIBERAL, the Liberal Party newspaper: "Covering Up the Assassination Attempt"]

[FBIS Translated Text] Over half a year has passed since the most tragic assault against the establishment and democracy in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]. In spite of all the indignation and consequences, the Macedonian public has not been offered any information regarding the organizers and the executors of the assassination attempt [against President Kiro Gligirov]—apart from the manipulations and intentional or unintentional artifice, apart from the ridiculous searches of cellars in Skopje, and apart from the further promotion of the minister who was responsible for the security of the head of the state.

The attempt of the Liberal Party [LP] to form a commission in the Assembly of the Republic of Macedonia that would define the responsibility for the assassination attempt, was treated by the SDSM [Social Democratic Alliance of Macedonia] as an extremely unserious act—minimizing the importance of this initiative and putting it down to political calculation. We will not comment on these attempts, but the attitude of the ruling team toward such a problem undoubtedly deserves serious attention.

The Liberal Party's motivation for initiating the question of the responsibility for the assassination attempt lies, first of all, in its deep political conviction that the greatest democratic right in a democratic state is to prevent somebody from achieving power through murder. This right touches the essence of civil rights. That is why we see the the ruling party's call for the assassination attempt not to be used in any political settlement of accounts as an additional calculated attempt to cover up the most tragic attempt to overthrow the political system.

On the contrary, our view is that a political settlement of accounts with those who use every means (even covering things up) to bolster the possibilities for taking power by murder and terrorism is indispensable. There must be a political settlement of accounts with those who oppose the democratic will of the citizens who have not voted for violence, for terrorism, or for an illegal change of government. This is exactly what happened in Macedonia.

The government, through its current representatives, is trying to deny that, after the assassination attempt, it changed in a way that has nothing to do with parliamentary procedure, the free will of the citizens, and free elections. The government was "reformed," as they say, but actually it was taken over without consulting the will of the citizens.

Has the more important goal of the assassination attempt been achieved? This question will remain open no matter how much the government tries to cover it up. Of course, it will remain open untill a normal, legitimate, free, and democratic parliamentary procedure is initiated, which, we are sure, will at least throw some light on the entire assassination attempt.

Our determination to discover the backers and organizers of this terrorist act is not only of importance in political terms, but also because of a practical question that is becoming more important every day: the security of the citizens, in the most direct sense. The question that arises is logical—if nothing has been done to discover who was behind the assassination attempt against the top man in the state, what about other murders, what about the security of citizens' property? The careless attitude toward the assassination attempt creates and institutionalizes a general carelessness towards the basic rights of the citizens in the state.

The authorities' attempts to minimize the question of citizens' security has evidently been threatened recently. Statistical data is being presented to show that here, compared to other countries, is much safer than other. These comparisons are worthless (as if we were to compare the production of bananas in Guatemala and Sweden, for instance), and we must not forget that murders and major criminal activities used to occur in our country so rarely that they were discussed for three years, while now they are old news in three days. All the statistics in the world cannot reduce the general feeling of danger and insecurity.

Is it possible that the young group in power thinks that we will accept its claims that everything is allowed in policy when everything is being done for them to assume complete power?

Statistics do not help! The feeling of concern is general. The people are afraid for themselves and for their future. The police do not enjoy the citizens' confidence—and this is even claimed in opinion polls that have been organized by the mass media that are under the control of the government. If the police cannot secure one of the fundamental civil rights—the right to security—what else is it capable of doing? Is this an introduction to "controlled instability and chaos," something that will provide the ruling parties with unlimited and uncontrolled power? Is this an introduction to a new totalitarianism?

All these questions require answers. The people expect them.

FYROM: Aliti Says PDP Policy To Work Within System

AU0605083396 Tirana RILINDJA in Albanian
2 May 96 p 5

[Interview by Evliana Berani with Abdurrahman Aliti, chairman of the Party for Democratic Prosperity; place and date not given: "The Albanians Participation in the Executive Wing Is Fraught With Conflict, but Necessary"]

[FBIS Translated Text] [Berani] A topical issue in the political arena of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is the collection of more than 200,000 signatures of the Macedonian opposition, but also of Albanians, asking for the dissolution of parliament and the announcement of early elections. What changes would such a scattering of political forces bring, and how would it benefit the Albanians?

The Radical Opposition Hides the Radicalism of the Government

[Aliti] Opinions are divided. Some think that early elections will bring positive changes, while others are convinced that they will not essentially alter our position. I personally believe that the existing state of relations among the political forces is not very favorable to the Albanians. However, I have no hesitation in saying that with the dissolution of parliament the situation would not only not improve but would further deteriorate. If the Macedonian opposition parties were to come to power, they would adopt an even more rigid stance toward us. I base this observation not only on the contents of their programs, but also other initiatives. The majority of the Macedonian opposition parties consistently base their political ratings on their anti-Albanianism. The Macedonian opposition is more radical, and this is not in the least in the Albanians interest.

[Berani] Mr. Aliti, can you tell us about your party's standpoints, and tell us whether there are any divergences between you and the Macedonian Social Democratic Party, with which you are in a coalition, over the possible opportunities for realizing the collective rights of the Albanians in Macedonia?

[Aliti] The stand of the Party for Democratic Prosperity [PDP—PPD in Albanian] has been clear from the start. The Albanians must be a state-forming people in Macedonia, while Macedonia must be a state built on these two pillars, i.e. a state of the Macedonians and the Albanians. These are the conceptual differences. The Macedonians support the constitutional formulation whereby the Macedonians have the exclusive right to create the state and its sovereignty. As you know, the Albanian deputies in the previous parliament did not vote for the Constitution, but this parliament has been confronting the same problems. The Albanian deputies are now expressing our opposition by not voting in favor of any decision or law that regulates issues connected with the system or which attacks our concept of how the

Albanians constitutional position should be regulated. By abstaining, we have attempted to keep our cause open, so that nobody can claim that the question of the Albanians is over and done with. In this way, we confront all those who do not accept our way of thinking.

I must emphasize that, even though there were differences among the Macedonian parties whenever issues involving the position of the Albanians came onto the agenda, these parties had a very high level of consensus. The Macedonian opposition, for instance, contested our ideas very brutally, while the others did so in a more sophisticated fashion. But the effect in the end was the same. For instance, when the Constitution of Macedonia was drafted, all the Macedonian parties approved it by acclamation. The same is happening today with all the controversial laws.

[Berani] The law on the privatization of public assets is one of the current laws that has doubtless hit hard against the Albanians. What can you tell us about the idea behind this law and its application in practice so far?

Privatization Without the Albanians

[Aliti] We opposed the concept of privatization behind this law, because, as is well known, there were very few Albanians employed in the public sector. In general, they were left behind in the process of privatization and lost the opportunity to win the right to private property. The majority of capital assets have now been privatized. I am not sure, but I think that about 60 percent of former public assets have now changed their status and have been turned into private property.

[Berani] What percentage passed into the hands of Albanians?

[Aliti] In general terms, a very modest and indeed symbolic proportion, because before and during privatization there were few Albanians employed in these enterprises.

[Berani] There has been plenty of criticism of the discrimination against Albanians in the sale of apartments, business premises, and in the allocation of building lots. What have the Albanian ministers and deputies done to alleviate the current problems in this area?

[Aliti] As for the sale of apartments, there were no evident abuses. The apartments were bought by the people living in them. Their were injustices in the sale of business premises. There is an unwritten law that Albanians must first be evicted when business premises are sold in Skopje, Tetovo, Struga, and elsewhere. This has been done in various underhand ways. Gradually, the premises that are first bought by Macedonians at favorable prices later pass into the hands of Albanians, of course at higher prices. I do not know how many business premises are in Albanian hands today, but, if it helps, I can mention three complexes in Tetovo, of which at first not even 10 percent were in the hands of Albanians, but which are now 80-percent Albanian-occupied. In the parliament and the government, these issues are debated for as long as it takes to approve the law. To what extent have we been in a position to prevent such forms of discrimination? I would say not at all, in that there are no legal obstacles to it. The legal situation is utterly clear. The complications arise in the enforcement of the laws, in competitions, and so forth.

[Berani] No doubt there have been many complaints to the government and parliament from citizens over discrimination of this kind. One must ask whether you have asked for an official report on abuses in this field from these levels of the state and whether you have investigated the possibility of finding a mechanism to control or to influence the course of such undesirable trends?

[Aliti] No such report exists, and it is therefore difficult to provide evidence of possible abuses. Moreover, matters would always look innocent in the end, because we have no mechanisms to prove such abuses. I am talking about the period of transition, when many things were not controlled by law because of the chaotic situation that prevailed at that time. Nevertheless, I think that matters are now being put straight.

Active and Effective Macedonian Propaganda

[Berani] One current problem is the delay in approving the higher education bill, in the draft of which there is no place for the Albanian language. The fact that Tetovo University functions, on the other hand, shows that the Albanians do not intend to abandon their inalienable right to education in their mother tongue. Where do you see a way out of this vicious circle?

[Aliti] The concept of education in Macedonia permits Albanian-language education only in primary and secondary schools. In the meantime, at college level, they permit Albanian language instruction only in teacher-training colleges preparing teachers for primary schools. We want to see a genuine Albanian-language university in operation. The Macedonian party with which we are in coalition opposes our idea. They do not agree with our idea just as we do not agree with theirs. There is, therefore, a conflict between an actual situation that exists and one that is to be established by law. I do not know how the course of events will run. The Macedonian authorities have said that they will not do anything to prevent the university from operating in this way, but de facto they do not recognize it and have not supported it by their laws.

[Berani] What do foreign observers think about Tetovo University?

[Aliti] At first, one had the impression in talks with foreign observers and diplomats that they viewed with sympathy all the Albanians work on behalf of an Albanian-language university, but we must unfortunately admit that this sympathy has declined significantly with the passage of time. It seems that the Macedonian Government succeeded in persuading them that the demands for an Albanian-language university are not educational but political demands. Recently, wherever we go they tell us that allowing an Albanian-language university is the beginning of the federalization of Macedonia, in all probability to be followed by secession and unification with Albania. The idea of a university is contested at this level rather than as a vital educational need. It is given political undertones, because it is easier to fight against the essential idea of university education for the Albanians with undertones of this kind.

[Berani] If higher education, as the Macedonians say, is a political demand, then what is Albanian-language secondary education? As we know, not even 20 percent of primary school pupils go on to secondary education. Is the demand to continue secondary education in one's mother tongue also a political demand?

[Aliti] No decree or law restricts the inclusion of Albanian primary school pupils in Albanian-language secondary education. More than 50 percent of Albanian primary school pupils now continue to secondary education. I can say categorically that in this school year all those who passed the examination for secondary-school enrolment continued their education. The problem is a lack of interest on the part of the pupils themselves in continuing secondary education!

Macedonian Politics Ignores Albanian Politics

[Berani] If that is how matters stand, then it remains to explain why there is such indifference among Albanian schoolchildren. What or who discourages them from continuing school?

[Aliti] The reason for the decline of interest was the creation of separate and joint streams, in which, because of the presence of four or five Macedonian pupils, the entire stream was compelled to study in Macedonian. The reasons thus date back a long time. It is now important to realize that the process of bringing the Albanian language back to schools where it has not been learned for a long time has begun and is continuing at high intensity. It is important to realize that none of the schoolchildren who passed their entrance examinations has been left out of secondary school. Several Albanian-language streams have now been created in the Skopje grammar school, in which classes have never been conducted in Albanian, and the number of streams in the medical secondary school has been increased, etc. A medical secondary school is being built in Gostivar, while an economics secondary school is being opened in Tetovo, where instruction will also be in Albanian. I wish to say that a great deal is being done in this direction and that we will not allow primary schoolchildren who are interested in continuing their secondary education in Albanian to be excluded from this level of education.

[Berani] In the last few days, the Macedonian Government recognized self-styled Yugoslavia. One-third of the government, that is five ministers, are Albanians. Did they have prior knowledge of the signature of such an agreement? Were the Albanian ministers consulted over this issue and what was their attitude, and hence your attitude, to such a step?

[Aliti] To tell you the truth, there was a discussion in principle in the previous cabinet, before it was reshuffled. It was said in the cabinet that on the basis of a request from the Council of Europe there was an initiative to recognize Serbia and Montenegro, and that was all. We, although part of the government, learned about the recognition of Yugoslavia and the signing of the agreement from the press.

[Berani] Is the Albanian part of the government, and indeed the parliament in which there are 20 Albanian deputies, often bypassed in the drafting and approval of the various decisions and laws? To what degree can they exert an influence on the Macedonian state and on changing the direction of the currently unfavorable trends for the Albanians in Macedonia?

[Aliti] The list of hopeless cases is growing daily. The Albanian part of the government is continually faced with obstacles in the drafting of different laws, even though most issues are governed by the Constitution, such as the status of the language and so forth. We are thrown back on the key issue of the Constitution, which has generated the crisis. There are also various disagreements in parliament, and the Albanian deputies are ignored by the others. They do not meet our criticisms with arguments, but with silence, and in the end, despite promises and assurances by word of mouth, the Macedonian deputies raise their hand and reject the approach we offer to issues. There have been many cases of this kind. We have criticized such a manner of decisionmaking, in which the Albanian deputies are always outvoted, as not tending toward cooperation but to national divisions.

The Albanians' participation in the executive wing is fraught with conflict, but necessary. We have no illusion that by taking part in the government we will achieve all the programmed goals of the PDP. However, we can now, by such participation, begin to achieve some of our goals, even though we do not think that we will be able to change the constitutional conception of Macedonia. Such a thing cannot be achieved for the moment because we do not agree with any Macedonian party about this. Our policy of taking part in the government relies on the achievement of those programmed objectives which we and the Macedonians for the moment share. Our participation is a pragmatic matter. If we were to list our goals from one to 10, if we cannot fulfill the first item, we will then try to fulfill the sixth, or the seventh, and so on. I want to say that, even though there is no agreement about the admission of the Albanians as a state-forming element in the Constitution of Macedonia, this question can be left open. But let us work to wrap up other issues over which there is agreement.

[Berani] The Albanian opposition parties in Macedonia have several times demanded that Albanians not participate in Macedonian state institutions. They explain these demands by claiming that it is impossible to improve the position of the Albanians. Mr. Aliti, how would you comment on such demands and the oppositions reasons?

[Aliti] The PDP decides on its own activities itself, and we cannot accept such demands, and still less ultimatums, from anybody, and least of all from our political opponents. The question of whether we will continue to act within the institutions of the system, or outside them, is one that our party will decide independently. The view that our participation in the government has achieved nothing does not hold water, and is malicious. The fact that we as a party and as individuals are not content with what has been achieved so far is another matter. One might put the question differently: To what extent would we be content if we were not here? Could we realize any kind of rights without being inside institutions? Can we rest content with criticisms that nothing has been achieved, that the situation is intolerable, and that we are victims of discrimination? Is it enough to meet together, to take note of our plight, and lament our fate? Can we change our position in this way, or must we strive, in the impossibility of radical change, to follow a road that might result in small, incremental improvements to the situation?

The PDP still has the policy of working with the political system of Macedonia. It is we who are holding out the hand of cooperation even to those with whom we do not agree on all issues. This is something that we are doing on purpose, in order to remind the public at home and abroad that our policy is not merely one of words, and that, if there is any breakdown of cooperation with the Macedonian side, it will be its own fault. If it comes to such a breakdown of cooperation, it must be realized that matters will have come to such a point because the other side is not ready to solve problems together. This policy of ours also corresponds with the dominant view in Albanian politics as a whole, that it is necessary to contribute to preserving peace and stability in the Balkans and that it is not the Albanians who are destabilizing the region.

FYROM: Aliti on Kosovo, Interethnic Relations

AU0705170496 Skopje NOVA MAKEDONIJA in Macedonian 4 May 96 p 14

[Interview with Abdurahman Aliti, leader of the Party for Democratic Prosperity, by Julijana Kocovska; place and date not given: "Extremity Does Not Take You Anywhere"]

[FBIS Translated Excerpt] [Passage omitted] [Kocovska] Abdurahman Aliti has been under pressure several times, mainly because of his political views and his determination to live together and develop mutual cooperation.

[Aliti] I would be immodest if I were to say that Abdurahman Aliti was the only one who was making such efforts. The core of the PDP [Party for Democratic Prosperity] and its leaders share the same views on this question. It would have been disastrous if it had been only me; there are more of us. This is fortunate and good. My concrete activities, as well as those of some other PDP members and delegates, have been frequently attacked by the Albanian political bloc, and characterized as malfunctioning and humiliating. These assessments have started to change with the passing of time. Those who used to make such assessments later realized that our activities had results and followers because they are the only way in which healthy interethnic relations can be built in the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], as extreme behavior does not get you anywhere. The alternative of mutual cooperation and dialogue concerning questions on which we disagree, is the only thing that will get you anywhere. Everything else gets you nowhere. [passage omitted]

[Kocovska] About five months ago, you announced that you were ready to leave the institutions of the system, that is, the government, because you had concluded that "the Macedonian political factor does not wish to cooperate." You are now reiterating your dissatisfaction with the cooperation. Why?

[Aliti] Theoretically speaking, the fact that we are dissatisfied, and yet cooperate with the authorities, does not fit into schemes for the creation of a coalition. However, I think that this is nothing but a pragmatic question. This is a concrete space and a concrete country that is called the Republic of Macedonia, where people of different nationalities and different particularities live. It is wise to safeguard the general interest and find a key for paying respect to other people's particularities, which certainly does not mean that by doing this you are being unjust toward your own people or nation. I believe that the leaders of Macedonian policy must be aware of our particularities, and in this context I do not find it positive, particularly after the discussions between the president of the state and Elizabeth Renn, the UN special envoy on human rights, that a proposal is being forced for the preparation of a comparative study on the rights of the minorities in the Balkan countries. In my opinion, this study cannot serve as an example of how our interethnic relations, under Macedonian conditions, should be constructed. The intent is wrong if Macedonia is compared with countries that do not even recognize the existence of other nationalities. Macedonia should be an example of how different nationalities can live together with all their particularities, which will be worked out as far as the development of democratic processes, institutions, and traditions allow this to happen. We have an advantage compared to the others. Never in history have the Macedonians and Albanians fought against each other. Even in the NOB [National Liberation Struggle] they fought shoulder to shoulder against the common enemy. It is not easy for the Albanians, who have fought for the creation of a common state, to feel themselves to be second-rate citizens. [passage omitted]

[Kocovska] After everything that you have said, how do you assess interethnic relations in the Republic of Macedonia?

[Aliti] The PDP's view as regards the overall development of the Republic of Macedonia—and interethnic relations are an important part of overall development—is clear and unchanged. We are convinced that there are chances in the Republic of Macedonia for the construction of fully correct interethnic relations and respect for differences. If some political parties, either Macedonian or Albanian, "foster" other trends in this sphere, building their ratings by the degree to which they oppose each other, it would be lethal for Macedonia. There is no other alternative. We will either learn how to live together and respect each other, or we will be fully opposed and thus construct an antagonistic relationship.

[Kocovska] Why did you allow the PDPA-NDP [Party for Democratic Prosperity of Albanians-People's Democratic Party] to dictate your timing, which made Aliti appear in a different light, and PDP lose its political identity? The example of the "Tetovo university...."

[Aliti] It is not true that the PDP and its activities are dictated by the Albanian opposition. When PDPA or any other party did not exist, the PDP had its own program, in which it demanded education in the mother tongue at all levels. This determination dates from the formation of the party. We have publicly declared this view on equality and equal status for Albanians in Macedonia in the declaration that we submitted to parliament as a proposal. So there is nothing new in the activities of the PDP, and therefore it is not true to say that somebody is imposing on us. I claim with full responsibility that if this PDP's declaration had been adopted, we would have better developed interethnic relations, because our people would not have become excited by the conclusions of some political parties that if this party comes to power, the Albanians would disappear, would be given one-way passports, or that there are no conditions for a common life, or that accounts must be settled with the other side—all of which is slowing down the positive processes in Macedonia.

It is a general view that the Albanians in the Republic of Macedonia need a university. This is our view as well. It is a matter of regulating this sphere in order to establish its dimensions and how it functions, and I believe that if there is a university in the Albanian language, neither the state's nor the Macedonian nation's interests would be endangered.

[Kocovska] Why didn't you direct your engagement in this concept within the framework of the "SS. Cyril and Methodius" University in Skopje, instead of supporting an unconstitutional issue, that is, a university outside the system?

[Aliti] This question should not be asked of the PDP alone, but also of the other political parties, and I first of all have in mind the Macedonian political parties. The government and the president of the Republic of Macedonia should also be asked the same question. I am talking about a real need, and it is a matter for the authority to fulfill this need, unless it still believes that a university in Albanian would disintegrate Macedonia; this creates a repulsive feeling toward this question and agitates feelings.

[Kocovska] There are some interpretations according to which the PDP's requests are ultimately aimed at the federalization of Macedonia. In spite of the views on mutual confidence and common life....

[Aliti] Everybody has the right to think as he likes. However, as far as the PDP's political program is concerned, it is totally clear, and nobody can say that it contains a stance on the federalization of the Republic of Macedonia, neither explicit nor implicit. There are not any such views; we have realized this a long time ago. The PDP's view is as follows: full equality of the Albanians in the Republic of Macedonia.

[Kocovska] Will the PDP remain consistent in its view to struggle for the rights of the Albanians in Macedonia through the institutions of the system?

[Aliti] We are absolutely adhering to this view. All our activities up to this point have been aimed at proving to the people in Macedonia and outside Macedonia that this is the primary view of the party, and that all questions in dispute and misunderstandings must be resolved within the frameworks of the institutions of the system. With our activities up to this point, we have practically proven that this is not a simple declaration or a slogan, but a real pledge. Nevertheless, we think that in order to be able to adhere to this view we need the cooperation of other political parties, Macedonian parties, which must also show a higher level of good will and greater readiness for cooperation, which will prevent the penetration of other possible ideas.

If we really do face a situation in which we have to conclude that our partners are only verbally, and not actually, ready to cooperate, or if we realize that our cooperation is not generating any results that demonstrate the construction of tolerant interethnic relations, then we will be forced, despite our wish for cooperation and joint participation in the construction of the Republic of Macedonia and in the development of democratic institutions, to say publicly that we do not have a partner for cooperation, and that the other side does not want to cooperate with us, and we will simply withdraw and act as the opposition.

[Kocovska] Is this blackmail?

[Aliti] No. It is necessary to pay attention when giving qualifications of this kind. This is not blackmail and cannot be blackmail, because we know our political views and admit our differences. For some we have found a solution, and for others we can find it, but there are also some questions that cannot be solved at the moment. However, if we state that there is a question on which we can never agree, then it is really counterproductive to insist on cooperation if you know in advance that the differences will not be alleviated.

[Box, p 14]

[Kocovska] How do you assess the recognition between the Republic of Macedonia and the FRY?

[Aliti] A man cannot be indifferent if a peace process begins, a process of establishing mutual relations, that leads to a stabilization between two countries that recognize each other, as well as to a stabilization of the situation in this part of the Balkans. Second, I have some reservations, particularly in relation to the political and legal continuity of the FRY, which has been stretched out to before the existence of the SFRY, that is, since the Kingdom of Yugoslavia. In this sense, I believe that if this is Serbia as a state, as it is written down in the Agreement, then it is clear that the Kingdom of Serbia joined the Kingdom of Yugoslavia with a "dowry" in which Macedonia as a territory was included. So I still believe that there must be a clear distinction in the meaning of the legal and political state continuity of Serbia, because Serbia in 1918 encompassed a territory that is today the state of the Republic of Macedonia. Third, our assessment is that mutual recognition is too early before the Kosovo question is resolved.

[Box, p 14]

[Kocovska] Why was the PDP not invited to the recent Congress of the Democratic Party of Albania?

[Aliti] I am not the one who should answer this question. You have to ask the leadership of the Democratic Party of Albania why we were not invited.

Poland: Belarus KGB Arrests Solidarity Delegation in Minsk

WS1405150896 Warsaw Radio RMF FM Network in Polish 1436 GMT 14 May 96

[Statement by Solidarity Spokesman Piotr Zak; place not given—live or recorded]

[FBIS Translated Text] Solidarity Chairman Marian Krzaklewski was arrested in Minsk two and a half hours ago, as well as three other persons: Jerzy Adamczyk, the head of our foreign department, [deputy head] Eugeniusz Pormanski, and our driver, since they had traveled by car. They were visiting Belarus at the invitation of the Belarusian Free Trade Union led by Henadz Bykaw. We received information about the arrest from our Belarusian trade union colleagues. The delegation members were arrested when they were having lunch in the Potsdam restaurant in Minsk. The arrest was conducted by the KGB, the Belarusian Security Service, which is still called the KGB. Naturally, no grounds were given for the arrest. Undoubtedly, we assess the arrest as a provocation on the part of the Belarusian authorities aimed against the free trade union movement, not only in Belarus but also in Europe in general.

We demand categorical actions by the Polish authorities. I repeat: categorical and resolute actions. We have contacted the Polish Ministry of Foreign Affairs. We have talked with Deputy Foreign Minister Koltun. We have also managed to get in touch with the Polish Embassy in Minsk, and we know that Polish consuls are already at the police station at which the Solidarity delegation members are being kept.

Poland: Solidarity Chairman Released in Belarus

LD1405164296 Warsaw Polskie Radio First Program Network in Polish 1600 GMT 14 May 96

[FBIS Translated Text] The Polish Foreign Ministry has said that the Belarusian security service has released Marian Krzaklewski, chairman of the Solidarity trade union, and three union leaders. The individuals had been arrested earlier in Minsk.

The ministry cited a report it had received from the Polish Embassy in Minsk. The Solidarity delegation, visiting Belarus at the invitation of Belarusian trade unions, was detained at a Minsk restaurant in the afternoon.

Pavel Dobrovolski, the ministry's spokesman, said that, according to preliminary information, the Polish delegation was arrested because of an infringement of regulations on public gatherings. He added that Poland would demand from the Belarusian Foreign Ministry an explanation of all of the circumstances of the arrest.

Poland: Solidarity Leader Interviewed on Minsk Arrest

LD1405201296 Warsaw TV Polonia Network in Polish 1730 GMT 14 May 96

[Interview with Marian Krzaklewski, Solidarity chairman, by an unidientified correspondent in the studio; Krzaklewski in Minsk—live]

[FBIS Translated Text] [Correspondent] Solidarity Chairman Marian Krzaklewski is in Minsk. We have managed to get through to him. Good evening.

[Krzaklewski] Good evening.

[Correspondent] What is happening to you now? You have been released, haven't you?

[Krzaklewski] That is right; I have been released. Standing with me here are gentlemen from the security services or from the KGB. One of them told us about the deportation of our delegation to Brest.

[Correspondent] What reasons were given for this deportation?

[Krzaklewski] At first very vague reasons were given. We were told we had been detained because we did not have our passports on us. Later we were told we were the organizers of a gathering of a political nature. This is a lie because we were followed all the time, and most probably the contents of my meeting were recorded. This was a meeting on a lawn with workers during a break for breakfast because we were not allowed to meet at the factory despite the fact that such permission was granted on 13 May. This morning these passes were torn up in the presence of the chairman of the free trade unions representing the Automatic Lines Plant. The minister of industry wrote in a letter to the free trade unions that it would be best if such a meeting were held outside. This is why, during the break for breakfast, we met the trade unionists and a dozen or so people on some grass on a football field near a school, more than 100 meters from the company. In other words, this was a fair way away from the company. All we talked about, and I am not lying, were free trade unions, about the role of Solidarity, and about the situation in Poland. I did not even have time to talk in any detail about how they saw their own situation.

[Correspondent] How did the Belarusian militiamen behave?

[Krzaklewski] They accompanied us all the time since this morning, and the security services videorecorded every step we took. And, when we were stopped, I regarded myself as being humiliated because people in plain clothes stopped us in the street without telling us why they were doing this and without identifying themselves. They then told us to get into a vehicle with a private number plate. I said I was the chairman of the Solidarity trade union, that I was a public figure, and that I objected to being treated in this way. I was then hurled brutally into the vehicle. The rest of my colleagues then got in, and we were taken to the police station, where we were held for five hours. Representatives of the [Polish] Embassy, who had been informed by the free trade unions, came after three hours. We wanted to inform the embassy but—and what a coincidence—the phone at the premises where we were had been cut off.

[Correspondent] Are you going to be taken to the border in a convoy?

[Krzaklewski] Yes, we are going to be taken there in a convoy. There are lots of security service officials with us. We wanted to know whose decision it was to deport us and whether this was a formal decision. The answer we were given was that we would not be told what sort of formal decision this was or who had given the order to have us deported. All we were given to read was a kind of statement, which I have already mentioned: that I am accused of organizing an illegal demonstration, an illegal gathering in Minsk.

[Correspondent] Many thanks.

[Krzaklewski] Thank you and goodbye.

Poland: Ministry Protests to Belarus Over Krzaklewski Arrest

LD1405222996 Warsaw PAP in Polish 1833 GMT 14 May 96

[FBIS Translated Text] Warsaw, 14 May (PAP)—The Government Information Center reported on the evening of 14 May that, in connection with the detention of Solidarity Chairman Marian Krzaklewski by the security forces of Belarus, Deputy Foreign Minister Andrzej Towpik summoned the charge d'affaires of Belarus to the Ministry of Foreign Affairs to hand to him a protest note stating the following:

"The Ministry of Foreign Affairs of the Polish Republic, while conveying expressions of respect to the Embassy of the Republic of Belarus, wishes to protest resolutely against the detention in Minsk on 14 May of a delegation of the Solidarity Independent Self-Governing Trade Union headed by its chairman, Marian Krzaklewski, by Belarusian security bodies. The detention took place during the execution of the official part of the program of a visit staged at the invitation of the Belarusian Free Trade Union.

"The action of the Belarusian authorities constitutes a violation of the freedom of union activity and of the principles of international law and poses a serious threat to the friendly relations between the two countries.

"The Ministry of Foreign Affairs conveys expressions of deep indignation. It demands the immediate release of the delegation of Polish trade unionists and an explanation of all of the circumstances surrounding the incident by the appropriate authorities of the Republic of Belarus, and demands that the Ministry of Foreign Affairs of the Polish Republic be informed without delay about any decisions.

"The Ministry of Foreign Affairs of the Polish Republic reiterates its expressions of respect to the Embassy of the Republic of Belarus."

Poland: Protest Note Issued to Belarus Over Krzaklewski Arrest

LD1505112296 Warsaw PAP in Polish 1006 GMT 15 May 96

[FBIS Translated Text] Warsaw, 15 May—Pavel Dobrovolski, Foreign Ministry spokesman, stated that the Belarus authorities have violated the principles of international law and freedom of activity of trade unions. This is a serious threat to friendly relations between both countries. The statement was issued today following the arrest of Solidarity leader Marian Krzaklewski and a Polish trade union delegation in Minsk yesterday.

The Polish authorities await a reply to the note and an explanation of all of the circumstances of the incident by the appropriate Belarus Republic authorities.

The note handed to the charge d'affaires of the Belarus Embassy in Warsaw yesterday was firm and sharp, stated Piotr Stachanczyk, director of the consular department of the Foreign Ministry, at a press conference today. Further action by the Polish authorities will depend on the Belarus explanations.

Dobrowolski explained that the reply to this kind of note should come in a few days, as is customary.

Poland: Consul, Solidarity Leader on Detention in Minsk

WS1505082096 Warsaw Radio RMF FM Network in Polish 0605 GMT 15 May 96

[Statements by Polish Solidarity Chairman Marian Krzaklewski and Consul Jerzy Rychlik from the Polish Consulate in Brest, at the Terespol checkpoint at the

Polish-Belarusian border at 0000 GMT 15 May—recorded by Cezary Potapczuk on the "Guest of Radio RMF FM Morning Program"]

[FBIS Translated Excerpt] [Passage omitted [Rychlik] Together with Consul Turzewski—or, actually, it was Consul Turzewski who made the phone calls—we telephoned all of the district police stations in the city of Minsk and asked whether by any chance any Polish citizens had been detained. Naturally, we did not mention any names; we only said: any Polish citizens. Every police station replied that absolutely no Polish citizens had been booked that day and that we had no reason to worry. This lasted for about 40 minutes, and we knew that something must have happened because otherwise the Solidarity delegation members would have contacted us in some way. Therefore, we placed a phone call to the so-called Main Police Directorate in Minsk, and, initially, we did not obtain any information from them. We were only told to telephone again in a couple of minutes.

In the meantime, we received a phone call from a Belarusian citizen, a resident of Minsk. It turned out later that he was a member of the Free Trade Union. He told us that the Polish delegation had been detained and taken to one of the police stations. Being sure that the delegation had indeed been detained, we telephoned the Main Police Directorate again and asked it to confirm the information. It said the delegation had been kept at one of the police stations. We called that police station again and found out that the Solidarity members were there.

[Krzaklewski] Representatives of the Polish Embassy in Minsk arrived at the police station after three hours, and then we were moved to a nicer office occupied by some higher rank officer, and, in the presence of a great number of people, a representative of the Belarusian authorities responsible for passport and visa issues started to inform us about the reasons behind our detention. He said that we had been detained because we did not have our passports. We replied that nobody had asked us about our documents and that one of us did have his passport during the arrest. The documents had been kept at the hotel and had not been returned to us, despite the fact that the passports should have been returned within three hours of our check-in. They were quite confounded. Evidently, they were considering several options and were looking for an excuse to justify our detention. When it turned out that the affair with the passports did not work, the representative of the Belarusian authorities left the room. He returned after some consultations, sat in front of us again, and told us that we were personae non grata in Belarus for organizing an illegal gathering and that we would be escorted to the border.

[Rychlik] I would say that, immediately after our arrival at the police station and a short conversation with the chief of the district police station, we thought the affair would be hushed up. The arrival of the head of the Main Police Directorate demonstrated that decisions had been made at a much higher level than a district police station and that the issue was viewed on a much broader scale. There was no more discussion then. They read to us the decision by the minister of internal affairs about the immediate extradition of the delegation members who were personae non grata and that we must take the shortest road out of the territory of the Republic of Belarus. There was no discussion.

[Krzaklewski] I did not think we would disappear without a trace because I was aware of the fact that too many people knew about my visit, including Belarusian journalists. Nevertheless, when they hurled me into that car and even spoke about handcuffing me, I felt that all kinds of things might happen.

Poland: Krzaklewski: President's Belarus Visit Worsens Ties

LD1505082496 Warsaw Polskie Radio First Program Network in Polish 0700 GMT 15 May 96

[FBIS Translated Text] Solidarity Chairman Marian Krzaklewski and the three other trade union activists arrested in Minsk yesterday and deported from Belarus have reached Bialystok. Marian Krzaklewski announced that he would take part in today's demonstration in front of the Belarus Consulate in Bialystok. It will be a protest against the violation of human rights in Belarus.

In a morning interview for Polish Radio, Krzaklewski suggested that he had been arrested in Minsk by President Lukashenka's bodyguards.

[Begin Krzaklewski recording] I could have expected something like this, of course, but I did not imagine that the Belarus authorities could go so far in their action. And, contrary to the good reports from President Kwasniewski's visit to Belarus, I see that that visit has not yielded any special results for relations between Belarus and Poland and the attitude of the Belarus president [word indistinct] to Polish citizens. On the contrary, it has probably made things worse. [end recording]

Poland: Germany's Ruhe on European Security

WS1505085096 Warsaw RZECZPOSPOLITA in Polish 14 May 96 p 7

["Excerpts" of lecture by German Defense Minister Volker Ruhe at the International Relations Center of the Institute of Public Affairs in Warsaw on 13 May]

[FBIS Translated Text] To come to Poland means to arrive in the center of Europe. It is here that freedom has found its homeland. As far back as 1791, Poland adopted a constitution that was permeated by the spirit of freedom and became the first constitution on the old continent. We will not forget what Europe and Germany owe to the unfaltering spirit of freedom of the Polish people. Six years have passed since the first free elections were held in Poland, which was a member of the Warsaw Pact at that time. The world held its breath. The Communist Party was defeated. The sensational victory of democracy in the parliamentary elections became a spark whose glitter lit a light in neighboring countries, and that ignited a revolution of freedom all over Europe. (...)

As has often happened in history, the fact that the fates of Poland and Germany are connected is also being confirmed today. The "Polish cause" was Europe's open wound. The "German cause" divided Europe and procrastinated Poland's bondage. In 1945, Poland, as well as Hungary, the Czechs, and other European states, was not allowed to reap the fruits of freedom. Poland was left alone in 1939, 1956, and 1980 as well. (...)

In the years 1989-90, Polish-German relations were in their prime—when Poland regained freedom and Germany reunified freely. Along with the German cause, the Polish cause has currently been resolved. However, the artificial division of Europe has not yet been overcome.

We must open the door that was closed by Stalin, when he did not allow Poland, the Czechs, and other states to use the Marshall Plan. It is currently our duty to make it possible for your state to achieve what is essential for it and what it wants—its final return to Europe. (...)

External stabilization is a result of good-neighborliness and cooperation. The Polish policy of stabilization toward all of its neighbors is the best example of such a policy.

Stabilization in Europe is a result of integration of smaller and larger states as equal partners. Not a single nation can again become subject to the strategic competition of superpowers. The history of our century clearly shows that the lack of stabilization was an enormous tragedy for all of Europe. (...)

Our current enemy is instability. Our task is to take care of stability both in Europe and around it. We can only perform this task together. We need Poland to achieve this.

A safe Europe will not be possible without stabilization in Central and East Europe, and there will be no European security without security in the Mediterranean region. Both factors are imperative for all Europeans because peace and security in and for Europe are indivisible. (...) The ability of the Atlantic alliance to integrate gave North America and Europe something more than security. It brought an end to the evil of European power politics.

Stability in East Europe can be achieved only if NATO and the EU are prepared for the future, if we open them for our Central European neighbors, and if we balance this process through a new partnership with Russia. (...)

The process of opening the alliance has not only begun, but it is also irreversible. It is proceeding according to its goal, step by step, ceaselessly and in a clear manner. It is not envisioned to make any decisions in the next few months. However, both NATO and candidates for its members are systematically preparing for accession to the alliance. Moreover, it is obvious that states that will join it later remain a part of the ongoing process.

We respect the intensive and concrete work conducted by Poland to prepare itself for membership in the Euro-Atlantic alliance.

The excellent document that Poland presented in April for a debate on studies of NATO's expansion will contribute to forming the alliance's opinion as much as Poland's outstanding engagement in the "Partnership for Peace" program. As early as this year, the alliance will elaborate provisions that in 1997 will become a foundation for negotiations on the formal accession to the alliance of the first candidates. In light of my recent talks conducted in the alliance, Poland is one the first candidates.

Then, it will be confirmed what Chancellor Kohl said in his speech to the National Assembly last June: "My message is as follows: It is our wish that in the near future—I understand the near future as the next decade—Poland finds its road to the EU and that it is able to satisfy its desire to be safe through NATO membership." (...)

Along with the expansion of the EU, NATO is creating a zone of stability in which Russia can find support for itself as well.

NATO's expansion is a constituent of the strategy of stability in Europe, which is in the interests of all

Europeans. Of course, it is a matter of the leadership in Russia and the citizens of that country to make a correct choice. (...)

NATO is not focusing its efforts on making old military structures more efficient and moving them eastward. Its expansion and increased sphere of influence are not the point either. The point is to open a new NATO for sovereign, democratic European states with a market economy. The alliance will remain a defensive union, and it is not aimed against anyone. This is an alliance that advocates dialogue, cooperation, and the joint overcoming of crises.

Since 1990, the alliance has been developing a previously unknown cultural model of mutual cooperation. At the same time, it ensures security for its members. The alliance's strategy may be reduced to two notions—cooperation and guarantees. This strategy remains the foundation of European stability. (...)

NATO is cooperating with nonmember states. Poland and its military unit is making a valuable contribution which is recognized by everyone. It is doing this professionally and efficiently, in a constellation whose nature is nearly revolutionary—Polish commandos as a part of the Nordic brigade which is subordinated to NATO commanders and under command of a Danish officer who reports to the commander of a U.S. division. This is a significant sign reaching far into the future. This method of cooperation between Poland and the alliance has thus obtained a new dimension for both sides.

The new NATO does not reject anybody; it means security and stabilization for everyone in Europe. Ukraine, too, is our partner which is particularly important for maintaining stability in Europe. We want to support this state as much as possible along its road to reforms, and enhance our cooperation with it. The alliance's summit in Berlin will become a clear sign that Ukraine has its own constant place in European cooperation. (...)

Because of its location and our common history, Poland's role is important for Germany as much as France's role was. The two nations have learned an appropriate lesson from history, and are currently creating the community of fates for peace and freedom. We are striving for relations with Poland which would be similar to those with France.

The following Polish adage once reflected the sad reality: A German will never become a Pole's brother. Those who are currently monitoring our relations know that the situation is just the opposite: A German has never been so fraternal to a Pole.

Poland: Columnist Views Admission Process for OECD Membership

WS1505110196 Warsaw GAZETA WYBORCZA in Polish 14 May 96 p 19

[Report by Marek Rapacki from Paris: "Poland-OECD: Among the Elite in July"]

[FBIS Translated Text] *Most likely in July Poland will sign an agreement on access to the Organization of Economic Cooperation and Development (OECD), which unites the world's richest countries. Hungary and the Czech Republic have already been admitted to the organization.*

On Monday [13 May] in Paris, Poland was recommended to join the OECD by the OECD Committee on Foreign Investments, the Committee on Multinational Enterprises, and the Committee on Invisible Transactions, which hitherto were opposed to our admission. To join the OECD, Poland needs only one more recommendation—by the Tax Committee.

According to Finance Deputy Minister Krzysztof Kalicki, head of the Polish delegation to Paris, negotiators praised us for our progress in liberalizing conditions of cooperation with foreign countries. However, the OECD emphatically inquired about our privatization projects, primarily in the spheres of banking, insurance, power engineering, and telecommunications.

According to Kalicki, Poland's explanations were accepted, but fixing the time when foreign banks and insurance companies will be able to open branches in Poland—no sooner than in 1999—was accomplished with difficulty.

Some doubts on the part of the OECD arose regarding the general pace of privatization, although it was noted that privatization in Poland is stabler than in some of our neighboring countries. A further timetable of our admission to the OECD depends on a positive result of reviewing Poland's privatization problems and steps toward resolving certain specific issues—for instance, taxes. If the Senate by 23 May approves the law amendments recently adopted by the Sejm, on checking bank accounts, the approval of new provisions by an appropriate OECD commission may take place before the end of May.

By the end of June, the OECD leading council should assess the Polish dossier in its entirety, and a formal invitation to Poland might take place on 11 July. Shortly afterwards, an appropriate formal agreement might be solemnly signed in Paris, and then Poland would be able to participate in all activities of the organization.

However, Poland would become a full-fledged OECD member only following ratification of the agreement by parliament or, more precisely, by the president after he is advised by parliament to do this. In other words, this could actually take place in the fall.

Poland: Cimoszewicz Promises Full Investigation of Oleksy Case

LD1405193896 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 14 May 96

[FBIS Translated Text] Prime Minister Wlodzimierz Cimoszewicz said today that all doubts connected with the so-called Jozef Oleksy case will be cleared up in full. He said that the State Protection Office [UOP] will conduct an investigation to find out which Polish politicians, if any, collaborated with Russian intelligence if there are grounds for such suspicions.

[Begin Cimoszewicz recording] According to my information, the preliminary investigation by the State Protection Office should be completed within the next two weeks. Should the investigation result in the conclusion that it is quite possible for collaborators with former Soviet or Russian intelligence to operate within our state's structures of importance, then, naturally, we will spare no effort to find out their identities. There should be no doubt about that at all. [end recording]

Poland: Military Prosecutor Discusses Oleksy Case

WS1405132096 Warsaw GAZETA WYBORCZA in Polish 14 May 96 p 3

[Interview with Military Prosecutor Colonel Slawomir Gorzkiewicz by Monika Olejnik and Jerzy Jachowicz; place and date not given: "Oleksy Knew the Name"]

[FBIS Translated Text] [GAZETA WYBORCZA] You told RZECZPOSPOLITA that the document you examined in the course of investigations did not refer to Oleksy. Did you guess the real name of the spy?

[Gorzkiewicz] I did not say I knew who the spy was. I only said that any reader of detective stories could guess his identity. There are certain clues.

[GAZETA WYBORCZA] So you have a hunch who it is?

[Gorzkiewicz] I can form my private hypotheses.

[GAZETA WYBORCZA] But do you not have the duty of informing about this fact as a prosecutor?

[Gorzkiewicz] No. I will not inform myself.

[GAZETA WYBORCZA] Perhaps you should notify the Office of State Protection [UOP] because it is not as good at reading documents as you are.

[Gorzkiewicz] The UOP chief has officially stated that it is UOP's official duty to deal with this. Taking additional action does not make sense because experts are already working on the issue.

[GAZETA WYBORCZA] Who is "Olin" then?

[Gorzkiewicz] I do not know.

[GAZETA WYBORCZA] General Zacharski claims it is Oleksy. You claim it is someone else.

[Gorzkiewicz] I believe the document we are talking about refers to someone other than Oleksy. That is all.

[GAZETA WYBORCZA] Could the document refer to someone in the opposition?

[Gorzkiewicz] It could refer to anyone.

[GAZETA WYBORCZA] You told RZECZPOSPOLITA that the Russian document, on the basis of which UOP leveled espionage charges against Oleksy, refers not to him but to "someone entirely different, who can be easily identified on the basis of clues in the text. The average detective story reader can solve that mystery." That means you had someone specific in mind, not just "anyone."

[Gorzkiewicz] Yes, the document refers to one person only. I can only guess that several names are possible. The text undoubtedly speaks of one person only, not several.

[GAZETA WYBORCZA] That means that there is a new case? And you will not take it up?

[Gorzkiewicz] The case is in the initial phase of investigation. Everyone is forgetting what I have always said: To institute official proceedings, I would have to be certain that the document is authentic. Everything else stems from the fact that I doubt that authenticity.

[GAZETA WYBORCZA] You question the authenticity of the document and yet you state you know who it refers to.

[Gorzkiewicz] I am not saying it is not authentic, only that I doubt its authenticity. Even if we do presume it is authentic, it refers to someone other than Jozef Oleksy.

[GAZETA WYBORCZA] What led you to exclude the possibility that the document might refer to Jozef Oleksy?

[Gorzkiewicz] First of all, in 1992 Oleksy was neither a member of the Sejm Defense Commission nor of the Internal Affairs Commission, and the document indicated a member of one of the two. Second, the document states that the person in question enjoyed the trust of subsequent [interior] ministers: Kozlowski, Majewski, Macierewicz, and Milczanowski.

[GAZETA WYBORCZA] Gen. Zacharski says this is a simplification.

[Gorzkiewicz] This is not a simplification. This is how it was written down. We either see the text as it is or read between the lines.

[GAZETA WYBORCZA] Did UOP not ask about your assumptions as to who that "other person" is?

[Gorzkiewicz] They are better experts than I am in this field.

[GAZETA WYBORCZA] Yet, because you were the first to come out with this, it was natural to ask you first.

[Gorzkiewicz] They did not ask. As far as I know, they are carrying out an internal investigation.

[GAZETA WYBORCZA] Do you know the name of author of the document, the procured Russian intelligence officer?

[Gorzkiewicz] I do. I think a lot of people know. This is not the most important thing; the name does not change anything.

[GAZETA WYBORCZA] Why did Oleksy say he also knew the name of that officer?

[Gorzkiewicz] Mr. Oleksy was presented with the original version of my statement, not the public version that was published in the papers with the names dotted out.

[GAZETA WYBORCZA] So he saw the name of the procured agent?

[Gorzkiewicz] After all, he knew it before.

[GAZETA WYBORCZA] From where?

[Gorzkiewicz] I do not know where he knew it from.

[GAZETA WYBORCZA] Did it not interest you how the name could have become known to Prime Minister Oleksy, the last man who should have learned it—considering an investigation was carried out against him?

[Gorzkiewicz] I did not ask him where he knew it from.

[GAZETA WYBORCZA] Then how did you know he knew it?

[Gorzkiewicz] I heard it recently in an interview.

[GAZETA WYBORCZA] Colonel, you said that you showed those documents to the prime minister and he already knew it.

[Gorzkiewicz] Not the documents. I presented the prime minister with the original version of my decision.

[GAZETA WYBORCZA] In which the name was included. You said the name was there, but he already knew it.

[Gorzkiewicz] Because he did not express any surprise when reading the text.

[GAZETA WYBORCZA] And you did not ask him?

[Gorzkiewicz] There was no need to.

[GAZETA WYBORCZA] Was it in line with the procedure to reveal the name of this officer to Oleksy when it was still not known whether your decision of dropping the case would be revoked? Did you not breach your duties as prosecutor here?

[Gorzkiewicz] I am sure I did not. Naturally, this is something competent organs can evaluate.

[GAZETA WYBORCZA] What are the initial findings of the inspection of the investigation launched by the prosecutor from the Supreme Military Prosecutor's Office?

[Gorzkiewicz] There are no findings yet. The prosecutor is still working. The situation is difficult because we are working on the same materials. We are preparing documents for the white paper, and the prosecutor needs them in the course of his investigation.

[GAZETA WYBORCZA] The inspector might state your decision was wrong.

[Gorzkiewicz] Naturally. However, I do not think he could conclude that I was entirely wrong.

[GAZETA WYBORCZA] I mean to say he might literally find the basic assumptions entirely wrong.

[Gorzkiewicz] That is theoretically possible. I am deeply convinced I have done the right thing, yet I cannot rule out the possibility that the inspection will establish it was a wrong decision.

[GAZETA WYBORCZA] You said you do not give interviews anymore. Did anyone tell you not to?

[Gorzkiewicz] No. Nobody can tell me what to do. It was my own decision. All this is becoming totally paranoid.

Poland: Interview With Military Prosecutor in Oleksy Case

WS1405121096 Warsaw RZECZPOSPOLITA in Polish 11-12 May 96 pp 1-2

[Interview with Slawomir Gorzkiewicz, acting head of the Military Prosecutor's Office, by Anna Marszalek;

place and date not given: "I Could Guess Who the 'O' Secret Agent Was"]

[FBIS Translated Text] [Marszalek] The opposition, as well as some lawyers, believe that the reasons you gave for the decision to discontinue the investigation into the "Oleksy case" are not impartial.

[Gorzkiewicz] This is a demagogic allegation, put forward by people who refuse to accept certain arguments. I did not drew up the indictment; all I did was prepare the reasons for discontinuing the proceedings, and it was only logical that I had to show the places where there were any doubts and what these doubts were about.

[Marszalek] In the document presenting the reasons for your decision, did you discuss all the circumstantial evidence which, according to the Office of State Protection [UOP], allegedly confirmed that Jozef Oleksy was a spy?

[Gorzkiewicz] I mentioned all the evidence which I believe was significant. Arguments are always selected. I wanted to clarify my stand—not only to lawyers, but also to all other people. Thus, I had to use language that was more understandable to ordinary people.

[Marszalek] Language used by the press?

[Gorzkiewicz] I believe that this is not an accusation, but an advantage. Some documents, such as some kinds of indictments, are read only by a small group of people in a prosecutor's office or in a court of law and written in dry legal language. However, if you want to get your message across to wider circles of people, then the style must be different.

[Marszalek] You want to say that you drew up this document just like other lawyers prepare such documents; however, you had the demagogic intention of bringing a wide circle of people round to your way of thinking. One is tempted to say at this point that you wanted to give political backing to the party of Jozef Oleksy.

[Gorzkiewicz] Some groups of people will always say this and no arguments will make them change their minds because they do not want to be persuaded. However, I did realize that not all people had such fixed views and that some people could be persuaded. I hoped that this information would get across to them. I presented my evaluation of the material, and it is only logical that I wanted to show my reasoning in a convincing and relatively simple way. Of course, there may be people who disagree with me; however, they should argue with me by referring to facts, not to statements which have nothing to do with them.

[Marszalek] You must admit, however, that most indictments and documents presenting reasons for dropping other cases do not contain so many remarks on the personality features of the policemen or UOP functionaries who obtained the relevant materials. Evaluation of the motivation, that is, of both General Zacharski's aspirations and actions taken by him, is relative. Now, where are the facts here?

[Gorzkiewicz] Since Mr. Zacharski is the most important witness and the chief person behind this case, then one cannot ignore the motives which guided him. It is also worth adding that I do not evaluate whether Mr. Zacharski was guided by personal motives. In the reasons for my decision, I quoted only Oleksy and three witness; I did not attach any comment to that. Readers draw their own conclusions on the basis of bare facts. I did not write directly that Gen. Zacharski took vengeance because he was not appointed the head of the office of the prime minister and because he does not like Oleksy.

[Marszalek] You suggested this quite clearly. Zacharski and [former Internal Affairs Minister] Milczanowski claim that you failed to check various details: Zacharski was not to be appointed the head of the prime minister's office; he was, possibly, to assume an entirely different post offered to him by a politician of the Democratic Left Alliance [SLD]. [Former] Minister Milczanowski denies that he proposed that Oleksy appoint Zacharski. You did not confront Zacharski with witnesses, and Milczanowski did not ask about this issue at all.

[Gorzkiewicz] Gen. Zacharski is saying one thing, whereas Jozef Oleksy and other witnesses are saying something else. This is not a circumstance which would be of decisive importance. It was just one of the elements which need to be considered when evaluating credibility. Since in this case it was difficult to prepare such a confrontation—either one of the other gentleman was staying abroad—I finally gave up the idea. Zacharski was confronted with one of the witnesses and neither of them changed their views. This may be criticized as a result of the inspection [being carried out by the Chief Military Prosecutor's Office]

[Marszalek] You say that this was not very important, but you suggested that personal motives might be treated as an argument that undermines Zacharski's credibility.

[Gorzkiewicz] I quoted witnesses because I decided that this was of some significance, although it was not the decisive factor.

[Marszalek] Still, you attached great importance to motives. You decided that the Russian intelligence officer recruited by Zacharski was not credible because he disliked Alganov and because he accepted money

Did this really affect the value of the information which he passed on?

[Gorzkiewicz] I could not ignore this due to the fact that these motives are clear and that they stand out in the materials which I have. I could not talk to that person, but I had to take into consideration all the elements which might affect his credibility. If in every second sentence he speaks about his hatred for Alganov and says that he would like to do harm to him, then there is something in it.

[Marszalek] The fact that he wanted to do harm to Alganov does not prove that he passed on false information. On the contrary, he would have done greater harm if he had passed on true information.

[Gorzkiewicz] I cannot rule out that he passed on true information or that he was convinced that he was passing on true information. Still, doubts remain. I would have had to be absolutely certain in order to bring a charge against Mr. Oleksy. The principle of presumed innocence does not say that doubts should be dispelled to someone's advantage; it does say, however, that they should not be dispelled to someone's disadvantage.

The only source that said that Oleksy was a spy was only the one recruited by Zacharski. Everything else came from indirect reports. I do not call into question the facts, meetings, their course, etc. presented and described by Zacharski. However, I have certain doubts as to the credibility of the source which, for obvious reasons, could not be interrogated.

[Marszalek] Would you have the same opinion if it were a case of a man in the street and if it were free of purely political doubts, such as those caused by the fact that this case concerns the prime minister and accusations have been leveled by a minister linked to the outgoing president?

[Gorzkiewicz] I would have done the same. One does not bring people before a court of law irresponsibly. It is appalling that there are politicians, even lawyers, who say that, despite insufficient legal grounds, the case should have been directed to a court of law.

[Marszalek] You did not rule out a Russian provocation. Why should the Russians want to discredit a politician of the SLD, particularly a prime minister who comes from this party?

[Gorzkiewicz] One can imagine that, for example, someone wanted to cause a commotion in Poland. However, these are merely speculations. I do not know whether we will ever find out what really happened. No one knows this, except Oleksy and Alganov.

[Marszalek] You ridiculed the secret services because of an error in a translation from Russian of a four-page document that was to serve as crucial evidence. General Zacharski pointed out that the expert you hired also made a translation error.

[Gorzkiewicz] Both Mr. Zacharski and Mr. Milczanowski say a translation error was made. They are only trying to play down the significance of their statment. What Mr. Zacharski points out to be an error (the translation of the abbreviation szt. as "specimen" [sztuki] instead of "coded telegrams" ["szyfrowane telegramy"]) did not have any major influence on the overall evaluation. Besides, the expert left the original abbreviation in parentheses, which indicates that he had his doubts.

[Marszalek] Even if we do presume that the UOP wrongly translated the sentence of the report, it does not change the fact that "O" passed on information that might have come from a classified document. In other words, no matter how valuable he was for the Russian intelligence services, "O" was a source.

[Gorzkiewicz] In an interview with [acting UOP Chief] Colonel Kapkowski, I read that the UOP is finally trying to establish who "O" really is. The document contains so many clues that it is indeed surprising the name was not spelled out.

[Marszalek] From what you are saying it seems you acknowledge the credibility of the document, but believe it does not refer to Oleksy.

[Gorzkiewicz] I doubt whether this is really operational material procured by the intelligence services. Even if one does assume it is authentic, it is not about Oleksy, but someone entirely different who is very easy to identify on the basis of clues in the text. Any average detective story reader can solve that mystery.

[Marszalek] Does this mean you can give the name of the person whom the document refers to?

[Gorzkiewicz] I can guess, but there are special organs that should deal with that.

[Marszalek] What is that person's political background? Is he from the Democratic Left Alliance or an opposite camp?

[Gorzkiewicz] I will say nothing on the subject. Once the UOP finalizes its operations, the prosecutor's office will step in.

[Marszalek] Given your suspicions, could you not have launched an investigation into the case of the mysterious "O"?

[Gorzkiewicz] I would have to be certain that the preliminary materials were authentic. Second, it is not the prosecutor who chases spies, but the UOP counterintelligence services.

[Marszalek] Minister Milczanowski said that you never referred to the meetings "O" had with Alganov which were described in the document. Did you ask former Prime Minister Oleksy about this when you interrogated him?

[Gorzkiewicz] I think the minister meant the meetings Oleksy had at the time when he was already Sejm speaker. There is no evidence.

[Marszalek] Jozef Oleksy himself said that the Alganov family visited him at the Sejm.

[Gorzkiewicz] Yes, but there is no evidence that further contacts were maintained.

[Marszalek] You yourself established that one of Oleksy's friends pointed out the inappropriateness of such contacts to Alganov. As this was already after the warning issued by [former UOP chief] General Czempinski, Minister Milczanowski claims it was done at Oleksy's request.

[Gorzkiewicz] The witness maintains he did so of his own initiative, as Oleksy's friend. Mister Milczanowski does not know of our findings, he only knows the operational materials. Not everything was confirmed. The information contained in the preliminary materials were mere inference. In an interview for Monika Olejnik, for example, Mr. Zacharski said that some of the information was taken down as a reply to the question beginning with "can it be excluded that..." "He could not exclude" the fact that Oleksy accepted money or packages. You can write anything you like by applying this method. It only depends on how you phrase the questions.

[Marszalek] Zacharski maintains that Oleksy received packages sent from Russian intelligence headquarters.

[Gorzkiewicz] There is no evidence. Only Zacharski's source says this, and under great pressure from him. Money and packages were involved in the case of Marek Zielinski (sentenced for collaborating with the GRU), but there were receipts. The inability to "exclude things" in Zacharski's reports took the form of serious charges. Even Minister Milczanowski's statement was unsubstantiated in claiming that Oleksy is a spy "to this very moment," that is, until last December, when the prosecutor's office was notified. Even the operational report that was not confirmed said the meetings continued up to May. This shows the power of manipulation. The very header—"request for instituting an investigation"—was a propaganda gimmick. The usual phrase is "notification of a suspected criminal act."

[Marszalek] You are being accused of including too many details in the explanation of your verdict, which allows one to identify the Russian agent procured by Zacharski. Some even claim that he is doomed to die.

[Gorzkiewicz] I take full responsibility for that decision. This was a sensitive issue earlier. In writing the explanation, I tried to avoid disclosing any information that would identifying the source. If I failed, I should be held responsible.

[Marszalek] Why did you devote so little attention to Yakimishin, allegedly Oleksy's second leading officer?

[Gorzkiewicz] We only know what Mr. Zacharski's source and Oleksy himself said. Mr. Oleksy spoke of several meetings over a period of several months, back when he was still a deputy. Once he became Sejm speaker, the contacts subsided. He delegated the duty to the chief of his cabinet, who delivered some press materials to Yakimishin. Prime Minister Oleksy does not remember when the last unannounced visit took place and when his wife intervened.

[Marszalek] Did your personal likes and dislikes for Oleksy and Zacharski influence your decision to drop the proceedings?

[Gorzkiewicz] Zacharski is a very nice man: charming and a very skilled intelligence officer. I do not have any reason to dislike him.

[Marszalek] Yet you do question his credibility and skills.

[Gorzkiewicz] Defense lawyers and prosecutors argue fiercely in the courtroom and then go out to lunch together. The same applies here.

[Marszalek] Why do you think Zacharski is on the other side? A policeman or an UOP officer and the prosecutor usually stand on the same side.

[Gorzkiewicz] You cannot speak of sides in this case. Zacharski was not a policeman but a witness whose testimony had to be verified just like any other.

[Marszalek] Why did you drop proceedings in the cases of Yakimishin and Alganov as well?

[Gorzkiewicz] It was a natural consequence. Since I had doubts whether Oleksy collaborated with them, I could not be sure that they collaborated with Oleksy. The fact that they were intelligence officers stationed in Poland is not a punishable crime.

[Marszalek] What do you think the results of the inspection into the case by the prosecutor from the Supreme Military Prosecutor's Office will be?

[Gorzkiewicz] He is an expert. I myself am curious what his conclusions will be. He might decide that an investigation should be instituted and some additional steps taken. He might just as well state there was no transgression.

Poland: Bishop Deplores Missing Goodwill Needed To Ratify Concordat

LD1405125896 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 14 May 96

[FBIS Translated Text] Bishop Tadeusz Pieronek, secretary of the Polish Episcopate, thinks there is not the goodwill needed for ratification of the Concordat [between Poland and the Vatican]. Bishop Pieronek said in an interview for Radio dla Ciebie that the Concordat was the same kind of international agreement as other agreements concluded by the state and for that reason should be ratified at the appropriate time after its signature.

[Begin Pieronek recording] If an international agreement is concluded and not ratified over three years, something is wrong, particularly when we consider that we are dealing not with a state that threatens us, which would be lying in wait for our identity, but simply with a state that is friendly—exceptionally friendly, I would say—and whose head is our fellow countryman. Anyhow, this is not a typical state agreement; it is rather a social agreement and therefore of all the greater significance. [end recording]

Bishop Pieronek also said that friendly gestures on the issue of ratification of the Concordat, important for the creation of a climate for talks, were evident from President Kwasniewski from the very outset. In Bishop Pieronek's opinion, these should be a signal to some members of parliament of what direction should be taken.

Poland: President's Reply to Letter on State Policy on Jews

WS1405132996 Warsaw TRYBUNA in Polish 14 May 96 p 3

[Article by Ewa Rosolak: "The President Replies to the Letter by Polonia Congress Chairman Moskal; Correcting Imprecise Information"]

[FBIS Translated Text] "We Poles, whom history put to such difficult tests in the past, have always greatly respected sites commemorating the martyrology of nations; we have known how to respect the majesty of death. We feel like guardians and depositaries of the Auschwitz remembrance site and its tragic message," President Aleksander Kwasniewski wrote (on 13 May) in reply to a letter by U.S. Polonia Congress Chairman Edward Moskal.

On 25 April Chairman Moskal sent a letter to President Kwasniewski; although the letter was addressed to the president, it was also received by the speakers of the Sejm and the Senate, Primate Jozef Glemp, General Slawoj Leszek Glodz, the military bishop, and Polish Peasant Party Chairman Waldemar Pawlak.

In its letter (published by DZIENNIK POLSKI in Chicago), Edward Moskal broadly discussed Polish-Jewish relations and criticized the Polish authorities for being too submissive to the Jewish "lobby." He also recalled that Poles all over the world attach great importance to the creation of the image of our country, and particularly to defending our national dignity from being accused of anti-Semitism. "The president's reply will be made public after the addressee receives it," Marek Siwiec, secretary of state in the Presidential Chancellery, said on 13 May.

President Kwasniewski corrected the "imprecise information" on which Chairman Moskal's critical opinions were based:

1. According to Moskal, the actions taken by the Polish authorities to halt the construction of a shopping center in the immediate vicinity of Auschwitz deserve to be criticized. "This decision," Marek Siwiec stated, "was a violation of the law, as a result of which the Bielsko-Biala voivod had the right to reverse it."

2. Moskal was also critical of the content of the letter by Foreign Affairs Minister Dariusz Rosati to the World Congress of Jews, in which the minister apologized for the pogrom in Kielce. "The president endorses the letter by Minister Rosati, especially the part that says 'young, democratic Poland sincerely apologizes for and bemoans all of the injustice suffered by the Jewish people' and 'we are ashamed that this tragedy occurred in Poland, where the Nazis built death camps.'" Minister Siwiec stressed.

3. Chairman Moskal also criticized the activities of Rabbi Weiss in Poland. In reply, the president emphasized that all actions taken by individuals, both in the country and abroad, must be in line with the law. "The authority of our country and the law, which must be observed, will indiscriminately apply to all those who intend to engage in any political activity on Polish territory."

4. According to Edward Moskal, another thing that deserves criticism is the special procedure of returning

Jewish property to the interested parties and to Jewish communities. "Some misunderstanding must have taken place here. There is no special procedure of returning privately owned property to people of Jewish origin in Poland," Minister Siwiec stated. "A draft law on the state's relations with Jewish religious communities in the Polish Republic has been submitted in the Sejm. Similarly, the Polish state has settled ownership relationships in the case of the Evangelical-Augsburg Church and the Autocephalous Church."

Poland: Unions Reject Governmental Energy-Sector Reform

WS1405105996 Warsaw NOWA EUROPA in Polish 13 May 96 p 3

[Article by Janusz K. Kowalski: "How To Reform the Energy Sector: 'No' to Privatization"]

[FBIS Translated Text] Trade unions are against any form of ownership transformation in the gas, energy, and mining sectors.

"The government's haste in moving toward privatization is highly unadvisable because it will encourage new scandals and corruption. The concepts proposed by the government will lead to a dispersal of capital in the privatization process and in the takeover of assets by oligarchic groups that will follow." Such is the joint statement issued last Saturday [11 May] by representatives of the Mining and Energy Secretariat of the Independent Self-Governing Trade Union [NSZZ] Solidarity, the Federation of Energy Sector Employees' Trade Unions, the Polish Miners' Trade Union, the Kontra Trade Union, the Free Trade Union August 80, the National Energy Chapter of Engineers and Technicians Trade Unions, the Chemical Industry Secretariat of NSZZ Solidarity, the Factory Commission of NSZZ Solidarity-80 of the Dolna Odra Energy Plant, the Factory Commission of NSZZ Solidarity of the Belchatow Brown Coal Mine, the Factory Commission of NSZZ Solidarity-80 of the Patnow Energy Plant, and the Polish Industrial Lobby, the Consumers Federation, and the Group for Respecting Energy.

According to the above-listed trade union and social organizations, "amending the energy law to provide for the access of third parties to national energy systems (electric energy and gas) according to the so-called TPA [expansion unknown] principle is, given our economic and social conditions, against social interests and poses a threat to Poland. The TPA principle is beneficial for the exporter but harmful for the state importing energy," it was stressed. It was also pointed out that giving third parties access to the energy networks will cause, among other things, the prices of gas for households to double. Professor Miroslaw Dakowski, from the Group for Respecting Energy, emphasized that the "energy opposition," which has a different concept of developing the energy sector than that suggested by the Ministry of Industry and debated in parliament, is not being heard.

Poland: Minister Says Helicopter Missile Issue Still Open

WS1305145296 Warsaw RZECZPOSPOLITA in Polish 11-12 May 96 p 2

[Report by M.W.: "MON Head on Purchase of Missiles for the Huzar Helicopter: The Issue Has Not Been Decided Yet"]

[FBIS Translated Text] "The issue of purchasing antitank missiles for the assault Huzar helicopter has not been definitely closed yet," National Defense Minister Stanislaw Dobrzanski told RZECZPOSPOLITA yesterday. A day earlier he claimed that missiles offered by the American Rockwell do not stand a chance of being purchased by our country because the United States presented its offer too late.

"In the beginning, the Israeli offer was the only one that met Poland's expectations," we were told by the head of the National Defense Ministry [MON]. "The U.S. company did not present its offer because it did not have permission from the authorities to do this. It obtained it on 28 February, which was past the deadline for submitting offers. Negotiations with the Israeli Elbit company were already under way; I received the go-ahead from the Defense Issues Commission," Dobrzanski stressed. If the Israeli partner does not satisfy our expectations, then, as Dobrzanski said, the bidding may be invalidated.

Asked whether the reason MON took a different stand on the issue was the diplomatic intervention of the United States, Dobrzanski replied that, even if there had not been any letters on this issue, the procedure would not look any different.

RZECZPOSPOLITA found out on 10 May that there is an idea of buying a missile that would be a result of U.S. and Israeli cooperation. Dobrzanski admitted that he had heard about it. However, the minister did not know whether Rockwell and Elbit were already cooperating with each other.

[The 13 May edition of Warsaw SZTANDAR in Polish carried a 400-word report by Wojciech Luczak entitled "Who Will Arm the Polish Huzar Helicopter?" The author writes that "SZTANDAR has found out that the U.S. Hughes company recently presented Poland with a compromise project that envisions such integration of the guidance and aiming systems in the Huzar that all options would be possible. This means that our helicopter might use all missiles—the Hellfire, [the Israeli] NTD, and the remotely controlled TOW."]

Poland: Legal Provisions for Foreign Investment Discussed

96EP0054B Warsaw WARSAW VOICE in English 31 Mar 96 No 13, p 10

[Article by Lidia Sosnowska Smogorzewska: "Foreign Buyers Blocked"]

[FBIS Transcribed Text] Last week, the Senate rejected an amendment previously passed by the Sejm to the law on the purchase of real estate by foreigners.

The amendment, proposed by the government, set out to liberalize regulations that date back to 1920. Concessions in the purchase of land by foreigners is one of the conditions for Poland's membership in the Organization for Economic Cooperation and Development (OECD).

Now the amendment will return to the Sejm, which can still overrule the Senate's veto with an absolute majority of votes. If that happens, the law will take effect in its original form in mid-May, without a correction that senators from the Polish Peasants' Party (PSL) managed to push through at the last minute banning the sale of farmland to foreigners. The vote is scheduled for Friday.

The amendment calls for a move away from the current rule whereby foreigners can buy land, houses and mortgage-secured apartments only after receiving permission from the Ministry of Internal Affairs.

In the amendment, the government proposed that foreigners be allowed to buy apartments along the same rules applying to Polish buyers, which means no permits would be needed. Moreover, foreigners living in Poland for at least five years and holding a permanent residence card would also be allowed to buy land and houses without special ministerial permission. The same would apply to foreign firms buying up to 0.4 hectares of land in cities.

In all other situations, foreigners planning to buy real estate would have to receive permission from the interior minister. Such permits would be issued in consultation with the defense minister or the agriculture minister in the case of rural real estate (under the original government version, rural farmland up to 1 hectare was to be exempt from such permission). This means that the amendment would simplify the permit procedure: currently four, and even six, ministers at a time have to consent in some cases.

Foreign firms planning to join tenders for the purchase of real estate would receive a ministerial promise that permission for the purchase of the property in question will be issued.

The government thinks that liberalized legislation governing the real estate purchases is a precondition for the inflow of capital to Poland. The government estimates that foreign investment reaching $10 billion a year is needed for the country's proper economic development. A similar opinion has been expressed by representatives of the Freedom Union.

The PSL is against real estate concessions to foreigners. PSL politicians, aided by Solidarity on this count, argue that farmland provisions in the amendment reach farther than similar legislation in the West. They believe that in keeping with the Europe Agreement, farmland should only be accessible to foreigners for long-term lease, which would guarantee pre-emption for the purchase of the land after three years under the current regulations. With time, regulations could be relaxed, the PSL says. But for now the party is afraid that foreigners might buy Polish land en masse because land in Poland is cheaper than in the West and because the purchasing power of foreign buyers is greater than Poles'.

Foreign investors' opinions vary on whether wider opportunities for the purchase of real estate determine an increase in foreign investment. Iwona Jarzebska, information director at ABB Polska, which has been investing in Poland since 1990, said that the lack of opportunities for buying real estate in Poland is not an obstacle to investment. This is exemplified by ABB, which is currently a shareholder or owner of more than 10 companies in Poland, with a combined work force of 10,000. The corporation only owns Lodz's Elta, while in all the other cases the land is leased.

The Chamber of Foreign Investors expressed a different opinion. The chamber's press spokesman Robert Kaszlewicz said investors develop stronger attachments to the country in which they invest if they buy real estate. Even though the proposed amendment does not solve all the problems linked with the issue, it sends a positive signal for all interested parties to take interest in the Polish market, Kaszlewicz said.

Chamber members welcomed the proposal to let foreigners buy apartments without permission. This would make it possible for them to save money on renting apartments for foreign specialist working in Poland, especially because the rents are usually steep.

The Senate has also passed to the Sejm another amendment to a law governing companies with foreign capital. That amendment removes the need for permission to establish such companies if they are to be involved in property brokerage and real estate, consumer goods importing, legal assistance, seaport and airport management and the defense industry in segments not subject to licensing.

Poland: Statistics Studies Indicate Growing Poverty

96EP0041A Warsaw WARSAW VOICE in English 10 Mar 96 p 6

[Article by Agnieszka Swiecka: "The Fading Bloom of Youth" (Poverty Statistics)]

[FBIS Transcribed Text] *While retirees may have it bad, in fact it's Poland's youth that are suffering the most economically, officials say.*

About 5 million Poles live in poverty. Children and people under 34 years old (not old-age pensioners, as is commonly thought) have the hardest time trying to make ends meet. Despite economic growth and an increase in real wages in recent years, the number of Poles living in poverty is not dropping.

"We can assume that some 5 million Poles live in poverty," said Prof. Andrzej Ochocki from the Central Statistical Office (GUS), at a Feb. 27 press conference held by GUS, UNICEF and the Labor and Welfare Institute.

The financial minimum allowing one to survive is around zl.100 per month per person in Poland. Incomes under that level are termed "absolute poverty." According to data presented at the conference, 2.5 million Poles make zl.60-100 per month, and every second Pole makes less than minimum wage (zl.250 per month). Between 15 million and 18 million Poles say their household incomes are too low to satisfy daily needs.

World Bank experts say that before 1989, only social outcasts lived in absolute poverty in Poland. Today, the biggest financial problems lie with the unemployed (especially people who have lost welfare rights) and workers with low qualifications (mostly young people looking for their first job). Two thirds of Poles under 34 years old are unemployed.

Young families with children are the most threatened with poverty, especially those living in small towns and villages; 87.5 percent of families with four or more children and 75 percent with three children live below the poverty line.

"One of the reasons is that social policy was always oriented toward helping older people," says Prof. Stanislawa Golinowska, director of the Labor and Welfare Institute. "Poland never had a family-support policy."

Old-age and disability pensioners, whose benefits have grown faster than wages have in recent years, are in a slightly better situation. Still, 38 percent live in poverty.

Social workers agree that poverty will decline only if economic growth continues for many years. They say the government also has to develop a poverty-prevention strategy by creating new jobs, providing workers with opportunities to upgrade skills, and promoting self-employment.

The government's welfare system and family-support social policy are in a mess. GUS estimates that roughly 1.3 million Poles will be on welfare in 1996. There will be many more applications, but the government doesn't have enough money to pay everybody. Numerous charity organizations are trying to help, but their assistance is only a drop in the sea of needs.

At a Feb. 14 hearing before the Sejm Social Policy Committee, Minister of Labor and Social Policy Andrzej Baczkowski said fighting unemployment and reforming social policy and the social insurance sector are the ministry's priority tasks—but the state doesn't have enough money.

Baczkowski announced that conflicts "between the ministry which gives out money and the ministry of 'labor and despair'" are unavoidable.

UNICEF's International Center for Child Development in Florence has calculated that in order for an average family to function normally, the state must devote 2.5-3.5 percent of its GDP to social issues. In 1991, Poland spent 2 percent of GDP on social policy. Three years later, the number was down to 1.5 percent.

The only postcommunist countries to fulfill UNICEF standards are Hungary, the Czech Republic and Slovakia. Bulgaria, Romania, Moldova and Azerbaijan, Estonia, Lithuania and Latvia are in the worst shape. About 75 million people in Central and Eastern Europe were living in poverty in 1989-1994.

Romania: Iliescu, Polish President Announce Free Trade Agreement

LD1405132596 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 14 May 96

[FBIS Translated Text] President Aleksander Kwasniewski and Romanian President Ion Iliescu announced after talks in Bucharest that a free trade agreement between Poland and Romania will be signed by the end of the year. Both presidents evaluated the state of bilateral relations highly but acknowledged that the current trade turnover is insufficient.

Poland is Romania's fourth-ranking trading partner among the countries of Central and Eastern Europe. Romania, however, has unpaid debts to Poland of almost 18 million transfer roubles. Kwasniewski and Iliescu expressed the belief that the cooperation agreements in agriculture, science, and veterinary medicine signed today and the agreement between Poland and the Romanian Chamber of Commerce would contribute to the intensification of economic cooperation. Both presidents announced that work on a Polish-Romanian free trade agreement would be finalized by the end of the year. Poland will also support Romania in her strivings for membership in the Central European Free Trade Zone, CEFTA. Kwasniewski and Iliescu agreed that Poland's and Romania's common goal is to strive for entry to the EU and NATO. Iliescu said both countries are each other's partners and not rivals in these efforts.

Romania: Iliescu, Polish President Assess Bilateral Relations

AU1505091296 Bucharest Radio Romania Network in Romanian 1930 GMT 14 May 96

[Statements by President Ion Iliescu and Polish President Aleksander Kwasniewski following talks in Bucharest on 14 May—recorded; Kwasniewski speaks in Polish with passage-by-passage translation into Romanian]

[FBIS Translated Text] [Iliescu] We consider the political relations between our countries to be excellent and based on very good mutual understanding and cooperation in the European and international bodies. We have similar or identical approaches to the major international issues. We make joint efforts; believe we are partners, not rivals, in our efforts to achieve integration into the European and Euro-Atlantic bodies; and pay particular attention to the roles Poland and Romania have played and continue to play in ensuring stability in this central area of Europe.

We believe economic and trade relations between our countries are still modest. This was the issue on which we focused our dialogue. There are objective reasons for this drop in the volume of commercial relations, but we believe the potentials of our economies will allow us to develop these relations rapidly in the coming years.

The accords signed today in three important areas—commerce, agriculture, and science—enlarge the judicial base for expansion in essential areas of our development.

A free-trade accord between our countries is currently being negotiated, and we hope it will be finalized by the end of this year.

We are cooperating within the Central European Initiative and, within this context, we wish to develop zonal and regional cooperation, which we also regard as an important aspect for expanding regional cooperation between the Baltic and Black Sea areas. These are all important elements for promoting general European integration.

[Kwasniewski] We are advancing on the same path toward the same goal, because both Romania and Poland desire an integrated Europe with a stable security system. That is why our direct bilateral cooperation, just like cooperation within international institutions, but mainly our joint European integration demarches, are very important.

There is still much to be done regarding economic relations, which are not satisfactory. Likewise, there is still much work to do in the area of agriculture, science, and technology. We have much to offer each other. This is not only connected to the current experience that started at the beginning of the nineties, but also with the tradition and history of our cooperation.

That is why I, just like President Iliescu, express my hope and belief that the documents that have been signed today will contribute to the development of cooperation in the areas to which they refer.

Romania: Iliescu on NATO, Regional Ties, Privatization

AU1405204996 Bucharest DIMINEATA in Romanian 11-12 May 96 p 4

["Interview with Romanian President Ion Iliescu by the daily ADEVARUL DE CLUJ" in Cluj on 2 May]

[FBIS Translated Text] [Reporter] Do you believe that the statements by General Cioflina [chief of the Army General Staff] in Cluj and Petre Roman in Rome will have negative consequences for Romania's NATO integration process?

[Iliescu] It is certain that any statements made by politicians conveying the message abroad that Romania has or is considering alternatives to its integration within the North Atlantic alliance are not doing that process any good. First, because such an alternative does not genuinely exist. We belong among that community of countries by tradition, cultural and civilization affinities, as well as our joint democratic values. Second, because serious public opinion polls, such as the recent one conducted by PHARE [Economic Reconstruction Aid for Poland and Hungary], show that 95 percent of the population favors our joining NATO. Even if there might be politicians thinking about alternatives, they cannot count on any support from the population.

[Reporter] Given the fact that a large segment of the population of Transylvania believes that Hungary will never give up Transylvania, the policy of the current government, as well as the PDSR [Social Democracy Party of Romania], intended to achieve rapprochement with that country leads to the diminishing of their popularity. Aside from this, Romania's position with respect to Russia and Ukraine, regarding the consequences of the Molotov-Ribbentrop Pact, is not considered very well defined. Under such circumstances, what stance will the presidency and the government adopt in our relations with our neighbors?

[Iliescu] The policy Romania pursues in its relations with neighboring countries is that of furthering friendly, cooperative, and good-neighbor ties. In this spirit we made efforts to ensure, by means of treaties of a general nature, that these relations are placed on a solid basis and that new political-juridical frameworks are set up which are adequate for the new political reality in our countries, as well as on our continent. All this cannot but favor the establishment of mutually advantageous relations in every domain with all those countries.

The introductory part of your question, however, makes certain remarks necessary.

I do not know whether the largest part of the Transylvanian population thinks the way you say it does. There is no way for Hungary to "never give up Transylvania" for the simple reason that Transylvania has always been Romanian land. It was the cradle of the Romanian nation. Furthermore, I doubt that a realistic and rational policy intended to further normal, mutually beneficial relations between Romania and Hungary, on the basis of the principles used in ties among democratic European states, within the institutions of which we—both Hungary and Romania—wish to integrate ourselves, could lead to the consequences you mentioned, that is, to the diminishing of the popularity of those who promote such a policy. There is no way for us to change geography, and it is our duty, as politicians, to find a way not just to live together in peace, but also to cooperate with Hungary for the mutual benefit of the two states, as well as for the benefit of stability and quiet in Central Europe, and, generally, on the European continent.

Regarding Romania's position with respect to Russia and Ukraine, the real issue is not how "well defined" our positions are to each other. I can reassure you that in today's diplomatic life it is no longer customary to use—not even for parade purposes—amiable words as those once used in fashionable circles. The genuine issue is to find mutually acceptable ways to further our bilateral relations and to make them contribute to stability, security, and economic development in our region. In this context the conclusion of basic bilateral treaties represents an important step.

Both from the political and the juridical angle, such treaties are most often unable to "resolve" all the problems inherited from our long and turbulent historical relations. Quite often the countries choose the rational road of putting in writing the things they agree upon, which does not mean that the rest of the problems vanish or that they cannot ever be tackled again in a new process of political negotiations, or that they should not set out from generally accepted principles in international life, which are stipulated in those documents having a current juridical significance. This is the angle from which we approached the negotiation of the basic treaties both with Ukraine and the Russian Federation. Of course, it would be good if before those important international documents were signed, the people who bear political responsibility made sure that they can rely on sufficient support so the documents can really go into effect and thus bring their contribution not only to the establishment of international relations but also to augmenting the coherence of the domestic political process.

[Reporter] Do you think that the PDSR, as the principal governing party, which also promotes the aforementioned policy, could counter the PUNR [Romanian National Unity Party] in the electoral campaign in Transylvania?

[Iliescu] It would not be opportune for me to comment on this.

[Reporter] What is the position of the presidency regarding the participation of citizens, by means of the FPP [Private Property Trust Fund], in the privatization of the banks?

[Iliescu] There are laws regulating this. Whereas the 1991 Privatization bill prevented the FPP's from obtaining shares of commercial companies, the 1995 bill on expediting the privatization process redistributed the shares handed out gratis to the citizens among the nearly

4,000 companies submitted to the expedited privatization process, to which none of the banks belongs. As stipulated by this law, the FPP's can only subscribe to one or several of those 4,000 companies. Therefore, it does not seem possible for citizens to participate, by means of the FPPs, in the privatization of the banks.

Romania: Iliescu Comments on Regional Relations, Conflicts

AU1405125496 Bucharest DIMINEATA in Romanian 11 May 96 p 5

[Interview with President Ion Iliescu by an unidentified reporter of the National Television Station of the Republic of Georgia in Tbilisi on 25 March]

[FBIS Translated Excerpt] [Reporter] You have established close contact with the leaders of the Caucasus countries in general, and with Georgia in particular. The saying that "beginnings are always hard" comes to mind. Was it hard for you, too?

[Iliescu] It is always hard, but we must remain optimistic, because there is no alternative. We must keep looking only forward. Apropos your question about my visit to Georgia, I must say that this is my first official visit to this country after the revolutionary processes in Romania and the changes in Georgia. I consider this visit symbolic. It is the result of the latest developments in the modern history of our countries. At the same time, it expresses the desire of our political leaderships to develop our bilateral and regional relations.

Among other things, I would like to say that President Shevardnadze, as well as the presidents of Armenia and Azerbaijan, participated in the first summit on economic relations in the Black Sea region, which was held in Istanbul, and in the second meeting held in Bucharest last year. All of us are interested in developing such relations because, thanks to the Black Sea, we can consider ourselves neighbors. We are interested in ensuring a congenial atmosphere in the Caucasus, therefore we support President Shevardnadze's initiative in this respect. We are also interested in normalizing the situation in the Balkans, the area where we live. The links between our countries are very important for this process of development.

[Reporter] What is Romania's role in conceiving, building, and activating the Euro-Asian corridor, which is considered to mark a new political turning point?

[Iliescu] We examined the interest displayed by all countries in this corridor at the latest meeting of the Black Sea countries in Bucharest. In his turn, President Aliyev mentioned the need to establish links between the Caspian Sea and the Black Sea and to create a communication corridor with the Caspian Sea area, which is rich in oil and gas, through Romania. As a matter of fact, Georgia and Romania are outposts of the transit between the group of large oil and gas consumers from Europe and the Caspian zone, which is very rich in resources. Therefore, such a linking corridor can be built through the Caucasus, via Georgia, the Black Sea, and Romania, which is situated on the Danube. This corridor would be of interest to all countries in these areas.

[Reporter] Do you think everything that was discussed will also be achieved? After all, the situation is rather unstable in the Caucasus. I noted Mr. Eduard Shevardnadze's initiative for a "peaceful Caucasus." Did you sign the declaration, too?

[Iliescu] I highly praised President Shevardnadze's initiative. I saw the joint statement issued by Presidents Shevardnadze and Aliyev. We discussed these things in Tbilisi we will discuss them further in Baku today and tomorrow. I think this is a very useful, constructive, and positive initiative, which we will all support.

[Reporter] Sometimes politicians are just content to make statements.

[Iliescu] That is true.

[Reporter] After your visit to Armenia and now to Georgia, too, and considering the fact that you are leaving for a visit to Azerbaijan, is it conceivable—some people say it loudly—that you are also playing the part of an ambassador of peace in this region?

[Iliescu] Generally speaking, one could say that, since we are constantly interested in such a thing, which we consider to be very good, because we ourselves are living in a rather turbulent region. Next to us, in Yugoslavia, the people have gone through a tragic experience, which also affected us quite a lot. We suffered very large economic losses because of the blockade imposed against Yugoslavia. The same can also be said about the conflict in Dniester. Therefore, we highly appreciate all efforts that can make a contribution to solving these problems and to establishing peaceful relations and normalizing the situation in our region. Therefore, we will support and participate in all similar efforts.

[Reporter] Today, in the postsocialist period, we have much less evidence than you have in your country against certain individuals who were on the "honor list of communists" and who covered a long distance in the Communist Party. In this respect, how do you see the future of the communists and of this political movement, in general?

[Iliescu] I believe that history follows its own course and that we must behave realistically by renouncing ideological set patterns and promoting a useful policy. It is life that provides the most efficient way of solving problems to the benefit of our societies and nations. Therefore, we should learn from one another and proceed along the road of economic and social progress and of good relations among the people.

[Reporter] Mr. President, I would like you to elaborate on this and not to limit yourself to such generalities. How do you picture the future of this movement?

[Iliescu] I do not believe the people's future depends on the way in which they become involved in the development of historical processes.

[Reporter] The basis of the decision of the State Duma of the Russian Federation...

[Iliescu] The fundamentalists have no future. In some aspects, the communist movement, with its ideology, has had a rather fundamentalist drift. There are other fundamentalist movements and directions. Their prospects do not inspire us: on the contrary.

[Reporter] Excuse me, this looks like dodging the question...

[Iliescu] In politics, we are all responsible for the social processes.

[Reporter] [passage omitted] What is your opinion on the decision of the State Duma of the Russian Federation?

[Iliescu] I believe that it is unrealistic. I can understand nostalgia, since this has been the case with other empires, too. When Britain and France lost their colonies, there were the same kind of fundamentalists who would not accept such a change. I believe that there are such nostalgists in Russia, too, who cannot rid themselves of imperial sentiments. But life is stronger. As for the Duma, it can only decide on matters pertaining to Russia and the Russian people. In relations with other nations, it must respect their self-determination.

[Reporter] In this respect, do you believe that NATO can today play the role of guarantor of peace, at least in the European region?

[Iliescu] For the time being, this organization is an institution and body which can contribute to ensuring peace and security in Europe. Therefore, all the former communist countries in Europe are looking toward NATO, and our participation in the Partnership for Peace [PFP] is linked to ensuring security in our region. As a matter of fact, NATO is also open for Russia, too. Russia is also participating in this PFP. Therefore, I believe that NATO has changed and there is no longer a conflict between two blocs, as was the case during the Cold War. [passage omitted]

[Reporter] You said that you welcome NATO expansion to the East.

[Iliescu] That is correct.

[Reporter] However, according to the recent statements of the president of the Russian Federation, this does not really suit Russia.

[Iliescu] But we are not talking here about an expansion against Russia, but on the contrary, about an opening even for Russia.

[Reporter] What would you say about the creation of a CIS bloc in Central Europe, in opposition to the North Atlantic Alliance?

[Iliescu] That would be a negative development.

[Reporter] What will you do when you conclude your political career? [passage omitted]

[Iliescu] I will continue with my hobbies and concerns. [passage omitted]

[Reporter] I wish you success and well-being to the Romanian people. All the best, and thank you for this interview. I know you are a very busy man. By the way, since you met with the representatives of our church, what is your attitude toward religion?

[Iliescu] I appreciate very much our history and your country's history, too. I value the role of the church. As a matter of fact, it draws us closer to each other, since both the Georgians and the Romanians are Orthodox. The history of our nations has been pretty tempestuous over the years. We were both faced with the attempts of large empires to stifle our existence, and the church played a very positive role in preserving our national identity and culture. This is another thing that draws us closer together. I have stressed the fact that the Church can play and actually is playing a positive role in the national renaissance of our nations. The contribution of the church is and can be huge. [passage omitted]

[Reporter] Once again, thank you very much.

Romania: Roman Supports Mayoral Candidate in Timisoara

*AU1505113296 Bucharest AZI in Romanian
8 May 96 p 7*

[Part one of two installments of a report by Liana Sega on a news conference by Democratic Party leader Petre Roman and Dorel Borza, Social Democratic Union candidate for Timisoara mayor, with domestic and foreign reporters at the town hall in Timisoara on 2 May:

"The Social Democratic Union Counts on 50 Percent Plus One Vote"]

[FBIS Translated Excerpt] [Borza] Yesterday, on the occasion of [Democratic Party] President Petre Roman's visit to Timisoara, the Social Democratic Union [USD] submitted my candidacy to the Municipality Electoral Bureau for the office of Timisoara mayor. We are putting two documents at your disposal; specifically, a declaration of property and a biography. We are expecting the other candidates to do the same.

In connection with the property declaration, I would like to discuss only one thing: my activities over the past three and a half years since I have been working in private business. This activity ensures the necessary income for me and my family to lead a decent life, and the minor mayor's salary will only be a small additional income to this. I decided to run for mayor because I am convinced our town deserves a better fate. Unfortunately, Timisoara is currently only a town immersed in provincialism and covered by dust and filth. Timisoara is currently administered by an arrogant, rigid, bureaucratic, and inefficient mayoralty. There are certain situations which I cannot accept because I wish to live in a different type of town: a European, civilized, prosperous, and clean town. In order to reach this goal, we, the USD members, worked out a program that is structured on three major precepts: "The mayoralty in the service of the people," "Equal chances for all districts," and "We have a social responsibility." [passage omitted]

[Roman] Dorel Borza is quite modest. I have known him since I appointed him prefect during the Roman Government, the government of the reform. I did not have to tell Dorel Borza that in the office of prefect I want him to be above all the man of the law and of Timisoara citizens rather than the government's man. It was clear that had I asked him anything else he would not have accepted. I believe that in Dorel Borza, Timisoara will find a person who, through his human experience, is capable of approaching the town's problems in a serious, organized, and efficient fashion. [passage omitted]

[Radio Free Europe correspondent] On what percentage do you count in Timisoara, Mr. Borza?

[Borza] On 50 percent plus one.

Romania: Roman Comments on Elections, NATO Membership

AU1505114196 Bucharest AZI in Romanian 9 May 96 p 7

[Part two of two installments of a report by Liana Sega on a news conference by Democratic Party leader Petre Roman and Dorel Borza, Social Democratic Union candidate for Timisoara mayor, with domestic and foreign correspondents at the town hall in Timisoara on 2 May: "The Battle for NATO Must Be Waged to the Very Last Moment"]

[FBIS Translated Text] [CRONICA ROMANA correspondent] Mr. Roman, I would like to dwell a little on the remark that you are qualified as "tough" with the Party of Social Democracy of Romania [PDSR], that is, with your former party colleagues. I would like you to comment on the legal aspect of this third attempt by President Iliescu to gain the presidential seat.

[Roman] First allow me to voice my opinion about the way I believe Mr. Iliescu should be eliminated from the game of presidential elections: I believe the best thing is to defeat him in the presidential elections. The reason for this, I suspect, are evident to everybody: In this way, and only in this way, can we end a certain period and give a new opening a chance. After December 1989, Romania was steadily closed off. That is why I believe it is a good idea to defeat him in the elections.

With regard to the constitutional aspect of Mr. Iliescu's possible third mandate, the authorities in charge of this issue should answer this. Many have already told their opinions, stating the nonconstitutional character of this act.

I believe that one could also mention here a few things about the moral aspects of the issue.

I did not participate in the 1992 elections as a direct consequence of what had happened during the March Convention. I wished to cut a path for the idea that the respective candidacy was the direct result of a personal dispute between Roman and Iliescu. And, at the same time, I wanted to return to the people their belief in democracy. These were the reasons why I said that I will no longer get involved in the presidential race.

I could ignore this declaration after the attacks against me were launched, which included the formula: "We have to eliminate him." However, I did not do it.

This is something that belongs to the past, and today I can say that it would have been both good and bad to run in 1992. However, I believe it is a good exercise to think, with today's mind and in today's situation, about what could have happened had I run then.

In the political practice it is not possible to make a realistic assessment. Historians and sociologists can do that, because they can place themselves in the respective time.

Now, it seems very clear to me that I have to run in the elections. Mr. Iliescu's political solution in 1992 was wrong and had negative effects on the country. It was the political solution that allowed certain parties, which do not show a real interest in true democracy and reform, to associate with the majority .

This has inevitably led to an accumulation of mistakes, halted the reform, obstructed economic life and the investments climate in Romania, led to the development of corruption at the top, and, in general, blocked Romania's chances.

The political act of supporting a certain government is, according to the constitution, the duty of the president. I believe that those who in these four years have not been able at least to identify the problems of the Romanian society can not be the ones who come up with solutions now.

In 1992 they offered a solution of ideological, political, and personal comfort, but in no way a courageous solution for the country's progress.

This year, the elections must sanction precisely the opposite: the act of finding a political solution that would bring together forces and people capable of relaunching the reform. That is why I got engaged in the presidential race.

[ROMPRES correspondent] Tomorrow [Friday, 3 May] you will probably meet with Mr. Janvier Solana. What message do you think you are going to give him.

[Roman] I am going to hand Mr. Solana my report—as special rapporteur of the Political Subcommittee for the New Democracies and NATO Enlargement—that I had sent to the NATO Assembly three weeks ago and which focuses on the arguments in favor of Romania entering NATO.

It is a 12-page report that tries to show why Romania cannot be left out of NATO. This was suggested to me by the president of the NATO Political Committee himself, a good friend of mine, Congressman Gerald Solomon, who sent me a letter in which he told me that he would like if in the report—if I have time to write it (as he knows that I am a candidate for Romania's presidency)—I would include arguments in favor of Romania's entering NATO, for the Ministerial Council of the Alliance that takes place in December 1996, when it will be decided who is going to be invited to be admitted in NATO. It was Gerald Solomon, too, who suggested that I include in the report the thoughts of a presidential candidate, and I did just that.

I am going to present this report to Mr. Solana, too, whom I have known for a long time and with whom I have cordial relations. I will try to wage the battle up to the last moment. I think that we should not give up until the last day when the NATO Ministerial Council will open. The report will be turned over to the press. In the report, using journalistic expressions, I am talking about what it would mean not to include Romania in the "first wave." And for this I made use of a proverb with a deep meaning: "To do what is possible means to almost do what is necessary." In other words, if today it is possible for Romania to enter NATO, tomorrow this will become absolutely necessary.

As far as Mr. Solana's message is concerned, this might be an attempt to test the frame of mind towards an idea that is taking shape currently, namely a NATO enlargement in stages, in waves: The first wave would include two or three countries, and a second wave would include countries for which guarantees are needed. In this respect I thought that it would be useful to take the initiative from the position of a future ally.

All my illustration in connection with Romania entering NATO is focused on the advantages of expanding democracy, and it thus has a geopolitical and geostrategic nature. Apart from this, the initiative I expressed in Rome was aimed at creating something against what today hampers NATO enlargement, that is, to establish a way of cooperating with countries that are not NATO members.

It is well known that if NATO has not been enlarged so far, it is because the Russians have opposed it. We cannot have any illusions; you know well what I am talking about. The Partnership for Peace was a compromise between the intention and strong aspiration of the East and Central European countries to become NATO members and Russia's opposition to this act. I think that it is necessary to come up with a solution to Russia's opposition.

I do not see why it troubled our political colleagues in the PDSR, and even less Mr. Ion Ratiu [National Peasant Christian-Democratic Party leader], that the solution was coming form Romania. However, in order to prevent the Romanian political block that supports the idea of Romania entering NATO from presenting any flaw, I considered that it was better if I withdrew my proposal. However, I did not retract anything that it contained.

Tomorrow, at the meeting with Mr. Solana, I intend to tell him a few things directly, publicly, not in private as I did in Madrid, during the elections in Spain. I want to tell Mr. Solana, this time publicly, that he must reflect very seriously on this issue and take into account a political fact of great significance, namely that this year's elections in Romania might bring to the leadership and to the presidency people and political forces that are more credible from the viewpoint of adopting the values of Western civilization than those that have ruled Romania in the past four years.

Slovenia: Daily Assesses Drnovsek Visit to U.S., Canada

AU1505073196 Ljubljana DELO in Slovene 11 May 96 p 3

[Commentary by Veso Stojanov: "North American Connection"]

[FBIS Translated Text] What does it actually mean when someone keeps on praising you and more or less speaks of you only in superlatives? There can only be two answers to this question. Either this person does not know you well enough, and the rules of good manners do not permit him to say anything but words of praise, or you have really done something for which you deserve praise. This is also valid in the world of diplomacy.

The prime minister of our country [Janez Drnovsek], for example, heard many nice words and praise of Slovenia during his visit to Washington and Ottawa. These could partly be the consequence of his hosts' diplomatic politeness and partly due to their good knowledge of the Slovene situation. One could hear so much praise of Slovenia and its political-economic development in the Canadian capital, and perhaps even more in Washington, that, at times, it even made one suspicious about what was hiding behind it all. On the other hand, however, it is true that the relations between Slovenia and both the great North American countries are primarily on a political and a military level, that is, they are good and not problematic, and that is, of course, a further reason for the praise.

The support that Dr. Janez Drnovsek received in Washington and Ottawa for our endeavors to join NATO and the OECD and the comments by Canadian Foreign Minister Lloyd Axworthy are further proof that they, in the United States and Canada, look at us from a different viewpoint than those in some of the western European countries. Axworthy said that he sees Slovenia as the first country from central and eastern Europe that could very soon become a full member of NATO (U.S. Secretary of State William Perry expressed himself in a similar, but less direct, manner when commenting on Slovenia joining NATO). In the North American continent, Slovenia has obviously succeeded in no longer being regarded as only a Balkan state of the former Yugoslavia, but as an independent central European state entity that has nothing in common with the neighboring, restless Balkans.

Some proof of this is the U.S. readiness to abolish the visa requirement for Slovene citizens travelling to the United States (Canada implemented this in August last year). The treaty on the abolition of visas is to be the next bilateral document that Slovenia will sign with the United States; it is also very important that the U.S. Department of Justice [pravosodno ministerstvo] and the FBI have also presented positive opinions on the matter. This step will, however, still have to go through some bureaucratic measures in the capital. Since the Americans only permit visa-free entry to their territory to a small number of states (a number of western European countries are not on this list, for example), this is a sign of political trust and the attainment of the status of a nonproblematic state, and this could be very important for us. Even the treaty on the keeping of military secrets has a similar meaning—this was especially emphasized by U.S. Secretary of State William Perry at a news conference, when he said that Slovenia, in its political development, has already reached the level of trust that enables the United States to sign an agreement by which the countries will exchange highly guarded military information.

If it is, therefore, true that the Slovene politicians have finally discovered America, which is now also publicly expressing its preparedness to assist us in our final accreditation on the international political field, then we cannot claim the same for the economic field. The approximately $0.5 billion trade exchange between Slovenia and the United States and the measly $36 million trade exchange with Canada are a faint reflection of far better political ties. It is obvious that Slovene economists have not yet fully discovered America, although the possibilities for trade in this huge and very open market are, in fact, immeasurable.

Our prime minister's visit to Washington and Ottawa in these conditions of increasing political trust was good lobbying and, not least of all, also a campaign move. A number of people will say that the agreement on guarding military secrets could have been signed by our defense minister and the agreement on the protection of cultural assets could have been signed by the minister for culture. But, despite that, Prime Minister Drnovsek's visit to the capitals of both North American countries, considering the content of the talks of the Slovene delegation, carried great political weight. In fact, Drnovsek lobbied the Americans and the Canadians for their support in our attempts to join NATO. Which of the central and eastern European countries will be permitted to join the distinguished group of NATO member states will be decided upon at the ministers' meeting in Brussels in the fall of this year. Because of this, Drnovsek's testing of the U.S. and Canadian positions came at the right time. Washington's vote is very important in NATO, if not even decisive. Ottawa's vote is a little less important.

The dilemma that I mentioned at the start regarding whether the words of praise for Slovenia were the consequence of diplomatic politeness or of a good knowledge of the situation will, therefore, be finally solved in the fall. That is when one will see whether the support given to Janez Drnovsek in Washington and in Ottawa was only polite language [leporecje] or whether Slovenia has truly succeeded in obtaining two good allies, the United States and Canada.

Slovenia: Referendum on Electoral Legislation Supported

AU1505081096 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 15 May 96

[FBIS Translated Text] The State Chamber at yesterday's extraordinary session supported a decree calling for a referendum on the changes to the present electoral legislation, on the basis of an initiative by 35 deputies. The State Chamber, however, rejected the State Council initiative to hold a consultative referendum on the recall of deputies.

The deputies did not continue the regular session, as a part of which they still have to vote on the changes and appendices to the Law on State Chamber Elections. The support for the law, which is in the first reading, and the formulation of accompanying decrees depended on the decision about a referendum. For that reason it can be expected that the law will either be passed today or that it will be concluded to decide on it after publication of the referendum results.

Following the above regular session, the deputies will start a new session, whose first item on the agenda will the interpellation on Foreign Minister Zoran Thaler.

Federal

FRY: Workers End Protest Before Federal Assembly

LD1405155196 Belgrade TANJUG in English 1526 GMT 14 May 96

[FBIS Transcribed Text] Belgrade, May 14 (TANJUG)—Protests before the Yugoslav assembly in Belgrade, organized on Tuesday by the united professional trade union—Independence, ended about 2.00 p.m. local time.

Several hundred workers from two Belgrade machine-making plants and members of the Association of Foreign Currency Bank Account Holders, demanded from the Federal Assembly, which opened its spring session on Tuesday, to immediately begin talks with the International Monetary Fund (IMF) and the World Bank based on the platform of Yugoslav Central Bank Governer Dragoslav Avramovic.

The protesters also demanded that the Yugoslav Government and Federal Assembly adopt a law on privatization proposed by Avromovic's working group and to secure live television coverage of the assembly session on these issues.

At the closure of the meeting, the organizers informed the protesters that 'the situation is continually being monitored' and that a new protest meeting would be held 'if the need arises.'

FRY: Milosevic, Montenegro Said To Strike Deal on Avramovic

AU1405143396 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 14 May 96

[Report by Matej Surc from Belgrade—recorded]

[FBIS Translated Text] Yugoslavia has a stable currency because the National Bank of Yugoslavia [NBJ] is successfully resisting the demands to print fresh money, Avramovic [NBJ Governor] stressed in today's address to the Federal Assembly deputies.

The governor sent a letter to the three presidents, Milosevic, Bulatovic, and Lilic, last night. In it he proposed that they annul the Federal Government measures on relations with the foreign creditors and the central banks of the former Yugoslav republics. Simultaneously, Avramovic demanded that he be reinstated as the head of the negotiating team with the IMF and the World Bank.

We have learned from the unofficial sources that Milosevic reportedly made a deal with the Montenegrins, namely, the Montenegrins would support the governor's replacement in return for the Assembly passing the Montenegrin appendices to the systemic legislation, by which Montenegro would effectively acquire economic independence. However, the NBJ council last night did not propose the governor's replacement to the Assembly, which probably means that Milosevic does not plan to sacrifice Avramovic yet.

Despite this, the outcome of the Federal Assembly session is uncertain. Namely, as part of the joint project Partnership for Changes the opposition is demanding the resignation of Federal Prime Minister Kontic.

Several thousand people gathered outside the Assembly building this morning to support Governor Avramovic. In the meantime, the strike of the Belgrade metal workers and the workers of Nis companies is continuing. Namely, the striking committees are not satisfied with the halfhearted government proposals.

FRY: Deputy PM Zebic Criticizes Avramovic

AU1405162996 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 14 May 96

[FBIS Translated Text] The Chamber of Citizens and Chamber of Republics are in session at the FRY Assembly building. The deputies of the two Federal Assembly chambers have been presented a series of systemic laws necessary for the functioning of the federal state. At the proposal of the Governors' Council and the Federal Government, the Chamber of Citizens is currently discussing the functioning of the National Bank of Yugoslavia. Dragoslav Avramovic, governor of the National Bank of Yugoslavia, has addressed the deputies. It has been announced that Federal Prime Minister Radoje Kontic should addresses both chambers on the systemic economic laws. Here is a report by Nevenka Djordjevic-Matijevic and Ida Maricic:

[Begin recording] [Djordjevic-Matijevic] The beginning of the Citizens Chamber session passed in [word indistinct] the voluminous agenda. The government has proposed to the deputies 20 laws on economic and social policy, of which of particular importance are the laws on enterprises, labor relations, the bases of the taxation system, and pension insurance, as well as the key economic-systemic regulations: bills on social capital transformation, foreign investment, and cooperatives.

At the initiative of the Federal Government and the governor of the National Bank of Yugoslavia, it was accepted that, regardless of the length of the agenda, the functioning of the National Bank and cooperation with international financial organizations should be included as the first item of the agenda. Governor Dragoslav Avramovic spoke about the economic situation in the country and monetary policy. Addressing the deputies, Deputy Federal Prime Minister Jovan Zebic said the following:

[Zebic] We have the Law on the National Bank, which has granted maximum independence to the National Bank of Yugoslavia and I think that it is the most independent central bank in Europe, if not in the world. However what we have here is one man's pretensions to be the national bank itself and to take over the jurisdiction of governments and other state institutions and dictate to us how to behave in our [word indistinct].

I absolutely support the coordination of economic policy and I think that it is explicitly written in the Constitution and the Federal Government authorization that the country's economic policy should be implemented by the Federal Government, that the [word indistinct] of the economic policy is the credit-monetary policy and that the National Bank is bound to help in carrying out the country's economic policy.

[Djordjevic-Matijevic] The Citizens Chamber is to continue its session in the afternoon. [passage omitted]

FRY: Montenegrin Deputy Criticizes Governor Avramovic

AU1405161996 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 14 May 96

[Statement by Deputy Milan Gajovic of the Montenegrin ruling Democratic Party of Socialists "during the recess at the Federal Assembly session" on 14 May—recorded]

[FBIS Translated Text] The esteemed Mr. Avramovic still proceeds from his concept that he is privileged to create and pursue the entire economic policy of this country, which is not envisaged by the laws and the Constitution, a fact that he also should accept.

Therefore, one must respect the jurisdiction of the Federal Government on the one hand and the jurisdiction and authorization of the National Bank of Yugoslavia, the governor, as well as the Council of the National Bank of Yugoslavia. Let me conclude, for that reason, that all that concerns establishing the platform of the Federal Republic of Yugoslavia toward the international community, all that concerns the establishment and implementing of the strategy and tactics of the FRY approach in the international community is something that concerns the Federal Government and not the governor of the National Bank of Yugoslavia. This is the principle that we have to respect if we want to ensure that the Federal Government carries out the functions assigned to it by the Federal Constitution and want to enable the implementation of the federal functions which, to put it that way, has not been possible so far principally for objective reasons.

FRY: Government Rejects Avramovic Claims

LD1405230596 Belgrade TANJUG Domestic Service in Serbo-Croatian 1611 GMT 14 May 96

[FBIS Translated Text] Belgrade, 13 May (TANJUG)—In response to an increasing number of reports of an alleged "conflict" and "disagreements" between Dr. Dragoslav Avramovic, governor of the National Bank of Yugoslavia, and the federal government over the normalization of relations between the Federal Republic of Yugoslavia [FRY], on the one hand, and the IMF and the World Bank, on the other, published in full by NASA BORBA on Saturday 11 May, the Federal Secretariat for Information has issued the following statement:

The articles in NASA BORBA, in which the governor, Dr. Dragoslav Avramovic, groundlessly denounces the federal government, have given rise to uncertainty and confusion in the public. For the sake of accuracy, the Federal Secretariat for Information, having again looked at the federal government's official documents, has decided to respond to the letter published in full by NASA BORBA on Saturday 11 May in the following way:

Describing his first reason for disagreement with the federal government's stands, the governor of the National Bank of Yugoslavia said: "The debt of $104 million to the IMF must be repaid immediately. But from where? Our total available reserves currently amount to $335 million. This means that we would be left with $230 million to service our monetary system and external payments to pay for about one month's worth of imports."

Nowhere do the federal government's stands, adopted (on 22 March) in the presence of a National Bank representative as well, state that the above debt should be repaid from the foreign currency reserves held by the National Bank of Yugoslavia. On the contrary, the statement on the need to repay the above debt to which Mr. Avramovic refers in his claims is as follows: "The FRY is prepared to repay its outstanding debt (of $104 million dollars) to the IMF as soon as its relations with it are normalized."

It appears that, in the meantime, the governor of the National Bank has changed his mind. This is proven by the notes taken at the meeting with the federal government held on 23 April, at which Mr. Avramovic said: "We have three elements of indebtedness here. One element is the IMF. This $104 million. This must be paid as soon as relations are NORMALIZED [TANJUG upper case], once we become members. This must be paid then. That is a real debt."

This view held by Mr. Avramovic is exactly the same as that of the government. It was set out and approved in the federal government's platform for talks with the IMF. It remains unclear why the governor obviously changed his mind and why, in the meantime, he came into collision with himself.

That this is so is also confirmed by the following claim made by Mr. Avramovic on the same page. Number 2, in which the governor states the following: "With what money are we to pay the World Bank debt by the end of 1997? If we are talking about the whole debt, this is at least $1.1 billion, and if we are talking about interest, at least $325 million (page 13 'Initial Bases' and page 22 a document entitled 'The Bases and Frameworks of Stabilization and Developmental Policy in the Federal Republic of Yugoslavia'). What sort of SPECIAL [TANJUG upper case] agreement of this institution is similar to the agreement on accumulated rights with the IMF? [sentence as received]. From what reserves are we to pay this?"

A more detailed examination of the federal government's platform completely refutes this notion and explanation. Such a proposal is not to be found on any page of the approved platform. Why the governor irrationally imputes such a statement to the government remains unclear, because the government clearly approved the following standpoint: "Debts owed to the World Bank will be paid by the end of 1997 in accordance with a special agreement of this same institution, similar to the agreement on accumulated rights with the IMF."

Furthermore, that the previous standpoint in the federal government's platform is also the standpoint of the National Bank is proven by a note from the National Bank which this institution sent to the federal government on 10 October 1995.

Otherwise, this agreement of the Yugoslav National Bank was approved at a session of the coordinating commission for relations with the IMF in the presence of Governor Avramovic at a session held on 15 November 1995. Page 2 of this document says: "The mechanism for regulating financial obligations through ACCUMULATED RIGHTS [TANJUG upper case] amounts to the actions of the IMF in securing the inflow of fresh capital into the debtor country for the purposes of enabling its economy to pay off its debts normally, in the first phase to the IMF and World Bank, and thereafter to all other creditors. The IMF protects the interests of new creditors by taking on the obligation to supervise the economic policy and development of that country which has the debts, and will itself approve financial support to it (on the basis of 'accumulated rights')."

The federal government included the stand of the National Bank in its platform and Mr. Avramovic had no objections to this before. Why the governor suddenly does not know about the agreement on accumulated rights with the IMF and why he objects to his own positions remains unclear both to the federal government and, we believe, to the public at large.

The fact that Mr. Avramovic continues to cite a series of arbitrary misinterpretations in his comments is demonstrated in his so-called third objection to the platform of the federal government, in which he says, among other things: "The proposal that on the remainder of the debt (i.e. the debt to commercial banks and governments) we seek a reduction of 20 percent. Why should we mention that we pay 80 percent when the cost of our debt on the market is under 50 percent, what kind of analysis is it which suggests an offer of 80 percent?" Mr. Avramovic asks himself.

There are no such statements in the federal government's platform. On the contrary, on page 11 it clearly says: "With the present state of its foreign debt and the cost of servicing it, the FRY falls into the category of highly indebted countries..." and "on that basis it has the right... to the rescheduling of the debt which will reduce the amount of debt and reduce the cost of servicing it, which amounts to writing off a part of the debt. To this end, arrangements will be proposed whereby both categories of creditors reduce the maturing debt by 20 percent, and the remainder of the debt is rescheduled over 20.5 years, including an initial period of 5.5 years."

The governor clearly does not differentiate between the actual reduction of the debt to which overindebted countries have a right, and the market value of debts—of the commercial banks.

The position of the federal government clearly and unambiguously defines a model for the reorganization, and not the buying up of the debt, so that it remains unclear how governor Avramovic "matches" his criticism, of course with his own methodical approach, with the market value of the debt. Mr. Avramovic should know best that debts to governments, international financial organizations (since they are not suitable for buying up) cannot have a market value. Since he knows that the market value of the debts of commercial banks, which are suitable for buying up, is determined by the banks and not by their creditors, we ask ourselves why the governor is accusing the federal government, which has made no offer of 80 percent.

In Objection No 5, the governor sets out the alleged commitment of the federal government: "With regard to the nonallocated part of the foreign debt of the Socialist Federal Republic of Yugoslavia [SFRY], we offer to accept it completely." Unfortunately, in his disagreement, and bearing in mind the public's reaction, Mr. Avramovic at no point says that this is the FIRST OPTION [TANJUG upper case], while further on in the text of the approved platform reference is made to a SECOND OPTION [TANJUG upper case] in which clear emphasis is laid on: "the acceptance of 44 percent of the nonallocated debts of the SFRY, which is in keeping with the proposal on population proportions as a criterion for equitable apportionment."

At a meeting of the federal government on 25 March, the first option was rejected. The second option was accepted. This certainly corresponded with the FRY proposal for the proportional division of all property. Governor Avramovic was informed of this decision at the federal government session on 25 March. So it cannot be said that Mr. Avramovic did not know of the federal government's decision. The only question is whether he was bound by it.

One should not comment too much on the other objections raised by Governor Avramovic, such as the provision of data to the IMF on foreign trade, foreign currency reserves, budget funds, etc., which are state secrets and which, naturally, every well-organized and constitutional state has. The same principle should be applied regarding opposition, as Mr. Avramovic puts it, "to ensuring that monetary emissions have to be backed by foreign currency reserves," something which is clearly set out in the federal government's approved platform. Owing to everything which has been explained here, it is astounding that such a thing can be stated by the author of the stabilization program, the essence of which is based on monetary issue being backed by foreign currency reserves.

The seventh reason for disagreement, connected to the proportion of active and passive debts owed to the IMF, is not disputed at all, because the FRY accepted, as long ago as 7 January 1993, its 36.52 percent share of active and passive debts. Since this standpoint has never been changed, it cannot be a serious reason for rejection of the federal government's platform.

It is obvious that the only real difference between the federal government and the National Bank governor is the one in connection with the issue of continuity and succession. The federal government admits that differences exist in this regard; however, when adopting the platform the government offered a solution whereby political and legal aspects were separated from the economic one, which represented a good basis for the continuation of talks with the IMF and the World Bank. In any case, continuity and succession are constitutional categories and the most important issue for a speedy reintegration of Yugoslavia in the international community.

It is completely incomprehensible why Governor Avramovic and some of his aides have suggested that the federal government allegedly wanted to postpone examining the issue of the normalization of relations between the Federal Republic of Yugoslavia and international financial institutions, which is best disproved by a government decision dated 11 May that talks with the IMF and the World Bank should be resumed immediately.

The Federal Secretariat for Information cannot say anything about objections to the composition of the delegation for one single reason—individual objections and the way they are expressed are incompatible with civilized public communication, which implies showing respect for the dignity of profession, people, and public statements.

The Federal Secretariat for Information believes that the polemical tones of Mr. Avramovic's statements recently published in NASA BORBA do not express essential and principled differences between the federal government and the governor, but rather come as a result of certain misunderstandings and misinterpretations. A governor of such high professional reputation should know that even in the countries of the so-called high democracy the government is in charge of conducting the domestic and external policy of a country—of course, in the interest of its citizens, i.e of its nation.

Where would we get to by yielding to the desire to resolve such important issues in professional associations or in street parliaments?

FRY: Assembly Resumes Debate on National Bank

AU1505104796 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 15 May 96

[Report by Zoran Vaskovic—live]

[FBIS Translated Text] The Chamber of Citizens session started 15 minutes ago. The deputies are expected to finish the debate on the National Bank of Yugoslavia [NBJ], which started yesterday. It involves issues linked to relations with the international financial organizations and to monetary policy. To recap, the NBJ council turned to the Federal Assembly with a proposal to pass a decree that would end the blockade in the NBJ's work. Let us add that a debate on this topic will also be held in the Chamber of Republics.

That chamber has not started its session yet today. It is envisaged that they will first examine the significant government legal projects for the transformation of the economy, primarily the proposed law on the bases for transforming the ownership of social assets. The committee for market and economy this morning upheld this government project in its entirety. Other solutions, if passed, will task the companies with determining the value and structure of their assets.

That is all from the Federal Assembly. We expect the Chamber of Republics session to begin anytime now, while the Chamber of Citizens has already resumed work.

FRY: Opposition Views Talks With Financial Institutions

LD1505110796 Belgrade TANJUG in English 1057 GMT 15 May 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, May 15 (TANJUG)—Opposition deputies in the Yugoslav parliament interpellated the federal government Wednesday [15 May] over the talks with international financial institutions and the status of the central bank governor.

The interpellation of 26 deputies of the Serbian Renewal Movement (SPO), Democratic Party (DS), Social-Democratic Party of Montenegro (SDP CG) and National Party of Montenegro JKNS CG) calls for the dismissal of federal Prime Minister Radoje Kontic and his cabinet.

The opposition deputies also requested that the lower house authorize Central Bank Governor Dragoslav Avramovic to negotiate with international monetary institutions with a view 'to maintaining the stability of the (national) currency and financial discipline.'

They called on the federal president to launch intensive consultations and withim a short time select a prime minister designate.

The federal parliament's regular spring session, which opened Tuesday, was initially to be devoted to a score or so of systemic bills.

However, parliament has included in its agenda the functioning of the federal central bank and relations with international financial institutions at the request of the National Bank of Yugoslavia Council and Governor Avramovic and on the basis of the stand taken by the federal government.

FRY: Commentary Criticizes Kontic's Attacks on Avramovic

AU1405193196 Belgrade NASA BORBA in Serbo-Croatian 14 May 96 p 8

[Commentary by Misa Brkic: "The Raging Prime Minister"]

[FBIS Translated Text] Determining and implementing interior and foreign policies, which is about the FRY's relations with other states and international organizations, and also determining what those relations are based on and appointing those who make the relevant decisions, all these things have been entrusted to the Federal Government by the Constitution. Every activity outside this context violates the Constitution and the law.

This is what the suddenly furious and yet sober FRY Prime Minister Kontic is saying now and what the old guard of Serbian journalism is repeating parrot-fashion, to prove that the governor and the central bank of Yugoslavia are just small fry. According to this backward reasoning, it is only the Federal Government, that is, those people who enjoy Kontic's greatest confidence, that can negotiate with international financial institutions.

In the latest duel over jurisdictions, the most tragicomical person is still Kontic, who has not meddled in his own job—being precisely to determine and implement interior and foreign policies—for five years now.

In the meantime, the wars in Croatia and Bosnia and the peace negotiations in Geneva, Paris, London, Dayton, Rome, and many other things hurtled past the federal prime minister and his cabinet at a gallop. Somebody was determining platforms and negotiating with other states and international organizations all the time, but Kontic did not have the slightest idea about that, nor did he dare protest, because he was treated like a cloth with which to wipe up floors.

He is still consistently playing this role, aptly manipulating over IMF support as expressed in a phantom letter to the Federal Government that subsequently simply disappeared. It is only Kontic who still has any illusions that the IMF supports him, thereby committing one major criminal act: the dissemination of false information.

When the regime (media) "maid" [Serbian television] refers to an unidentified source with the Federal Government saying that "to take actions without consulting the Kontic cabinet is against the law and the Constitution," then this should mean (I guess) that either the Federal Government, which has spent the past five years looking on as somebody else implemented foreign and interior policies, will assume responsibility for that, or Serbia President Slobodan Milosevic will do so, who actually did all that on his own, while Kontic was dozing off.

FRY: Lower House Rejects Debate on Cooperation With Hague

LD1405145696 Belgrade SRNA in Serbo-Croatian 1325 GMT 14 May 96

[FBIS Translated Excerpt] Belgrade, 14 May (SRNA)—Deputies in the Chamber of Citizens of the Federal Assembly have decided to include on the agenda of today's session a debate on the work of the National Bank of Yugoslavia and its contacts with international financial institutions. [passage omitted]

The Yugoslav parliament's Chamber of Citizens rejected a proposal to put on the agenda a debate on the law regulating relations and cooperation between the Federal Republic of Yugoslavia and The Hague tribunal, as well as the draft law on citizenship. The draft law on changes and addenda to the law on foreign investment will be discussed as a matter of urgency.

FRY: Government Demands Changes in UN Draft on Human Rights

LD1505102096 Belgrade TANJUG in English 0853 GMT 15 May 96

[FBIS Transcribed Text] Belgrade, May 15 (TANJUG)—The following is the third and last part of the comments of the Government of the Federal Republic of Yugoslavia on the draft resolution on the 'Situation of Human Rights in Bosnia and Herzegovina, the Republic of Croatia and the Federal Republic of Yugoslavia' adopted by the U.N. Human Rights Commission at its 52nd session.

The comments were circulated as an official document at Le Palais des Nations in Geneva on April 22, 1996.

[Passage indistinct] Its actual name is [name indistinct]. The inhabitants of this part of [words indistinct], heterogeneous in terms of their ethnic composition and religious affiliations, used to live in peace and harmony for many years, and they would have continued to do so if there were not political interference from the outside. On various occasions, [passage indistinct]. (Comments of the Government of the Federal Republic of Yugoslavia on the Report of Ms. Elisabeth Rehn, special rapporteur of the Commission on Human Rights on the Situation of Human Rights in the Territory of the Former Yugoslavia. E/CN.4/1996/160).

'As for Vojvodina, all the national minorities living in this province are fully cooperating with the republican and federal authorities, viewing them as legitimate authorities of their own state, participating in their activities on a footing of equality. There are Hungarians first—the largest national minority in Vojvodina, and their comprehensive relations with their country of origin, the Republic of Hungary, are telling proof of the further promotion of their status in the FRY in all the relevant fields.

'When the rights of the ethnic Bulgarian minority are concerned, no action has ever been taken that would imply threatening their minority rights inscribed in the Constitutions of the Republic of Serbia and the Federal Republic of Yugoslavia.

'The Government of the Federal Republic of Yugoslavia recalls that, under an OSCE [Organization for Security and Cooperation in Europe] decision, a suspension has been imposed on Yugoslavia's cooperation with it. Thus, against Yugoslavia's will. The Federal Republic of Yugoslavia is not in a position to deal with this organization as long as the OSCE does not change its decision. The Federal Republic of Yugoslavia has its own state legislative and political system. Appealing to the whole international community to support the 'efforts' and the 'establishment' of democratic institutions in Yugoslavia is absolutely unacceptable. It is an example of over and flagrant interference in internal affairs, whereby someone from the outside should act and judge what is and what is not 'democratical' there.

'The Government of the Federal Republic of Yugoslavia shares the view that the commission will carry out a detailed study of the draft resolution on the 'Situation of Human Rights in Bosnia and Herzegovina, the Republic of Croatia and the Federal Republic of Yugoslavia,' and that it will persist in inserting the indispensable and crucial changes in it, thus reaffirming its genuine concern and rendering its contribution to the protection and development of human rights in these territories.

'The Government of the Federal Republic of Yugoslavia reiterates again its openness and willingness to cooperate with the commission on human rights, for the benefit of protecting and developing human rights.'

FRY: Deputy FM Views Relations With NAM, EU

AU1505085296 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 May 96

[Report by Violeta Djukic—recorded]

[FBIS Translated Text] [Djukic] Presenting books written by groups of authors on Nonalignment in the Post Cold War Era and the Agreement From Schengen for a Europe Without Borders, Zivadin Jovanovic, assistant

Yugoslav foreign minister, spoke about our country's foreign policy.

[Jovanovic] We are entering a stage characterized by progress in solving the Yugoslav crisis, which is again characterized by consistent implementation of the Dayton agreement and thereby is creating the conditions for eliminating all those extremist approaches in various international forums within the Nonaligned Movement [NAM]. Most of the Movement members have remained true to the cooperation and friendship with Yugoslavia. This has been shown within the United Nations, but particularly in bilateral contacts. It is in our interest to continue, on the basis of our positive experience, above all the economic, scientific, technological, and other cooperation with nonaligned countries, based upon the criterion upon which we cooperate with all countries in the world: on the basis of mutual economic and other interests.

[Djukic] What does Schengen bring to Yugoslavia?

[Jovanovic] Our interests regarding European integration are significant. They represent a part of our foreign political strategy, and we are convinced that both the EU and Yugoslavia will soon find joint interests in mutual rapprochement.

[Djukic] These two books represent significant documents on currents on the world scene and, at the same time, show which road our country's interests will follow.

Serbia

Serbia: Milosevic, IFOR Commander Discuss Bosnia

LD1405153696 Belgrade TANJUG Domestic Service in Serbo-Croatian 1418 GMT 14 May 96

[FBIS Translated Text] Belgrade, 14 May (TANJUG)—President of the republic Slobodan Milosevic today received IFOR [Implementation Force] commander Admiral Leighton Smith, who arrived in Belgrade accompanied by his aides.

The most important issues concerning the implementation so far of, in particular, the military aspect of the [Dayton] peace agreement on Bosnia were raised during the talks. The two sides described as positive the results achieved so far and agreed that the level of cooperation in implementing the peace plan was crucial in stabilizing peace in the areas affected by the civil war.

Both sides said they hoped that progress would be made in implementing the civilian and political aspects of the peace agreement, with economic reconstruction and preparations for the coming elections in both entities as priority tasks.

The two sides agreed that the easing of tensions in the areas of earlier hostilities was crucial for enhancing stability and normalizing the situation in general. This primarily calls for strict observance of the commitments from the Dayton Agreement and the resolution of all issues by political means.

The talks were attended by federal Foreign Minister Milan Milutinovic, and by Lawrence Butler, charge d'affaires in the U.S. Embassy in Belgrade.

Serbia: Removal of Avramovic Considered 'Inevitable'

AU1405203396 Paris AFP in English 2006 GMT 14 May 96

[FBIS Transcribed Excerpt] Belgrade, May 14 (AFP)—Yugoslav deputies on Tuesday [14 May] postponed for 24 hours a vote on the fate of central bank governor Dragoslav Avramovic for criticising Belgrade's economic policies, but his sacking appeared inevitable.

The federal parliament will meet again on Wednesday, but his fate appeared sealed after one of his former allies, Milan Gajovic from Montenegro's ruling Socialist Democratic Party (DPS [Democratic Party of Socialism]), argued in favour of the government.

Although Avramovic enjoys the support of Serbian and Montengrin opposition parties, he needs the backing of the DPS to be able to cling to office.

Parliament is due to decide what action to take over a statement issued by the central bank board, which accused Avramovic of committing "irregularities" and of trying to monopolise negotiations with the IMF.

The 76-year-old governor has said that the bank board wants him replaced.

"Mr. Avramovic must understand he is not authorised to decide the country's politics, and he can no longer cooperate with the bank board, which prejudices his future somewhat," Gajovic told reporters. [passage omitted]

Avramovic was backed by some 5,000 workers in the southern Serbian city of Nis, demonstrating for better working and living conditions.

Organisers said many demonstrators were detained and questioned by the police. The protestors dispersed after an hour to await the outcome of talks between the strike committee and factory bosses.

In a letter, the leader of the strike committee called for a meeting with Serbian President Slobodan Milosevic to tell him of the "explosive situation" and to warn that certain people were trying to provoke civil strife.

The demonstrations in Nis and Belgrade follow similar protests Monday.

About 11,000 workers had rallied in Nis, where a strike official said they wanted to make the authorities aware of problems posed by the risk of further job cuts and wages which have been unpaid for up to a year. [passage omitted]

Serbia: National Bank Board Demands Avramovic Sacking

LD1405143296 Belgrade TANJUG Domestic Service in Serbo-Croatian 1349 GMT 14 May 96

[FBIS Translated Text] Belgrade, 14 May (TANJUG)—The board of the National Bank of Yugoslavia today sent a letter to the Yugoslav parliament demanding that the Federal Assembly should as a matter of urgency relieve of their duties either the board itself or National Bank Governor Dragoslav Avramovic because further cooperation between them has been rendered impossible.

The letter, signed by Dusan Vlatkovic, Krunislav Vukcevic, Djordje Djukic, Petrasin Kasalica, Zlatan Perucic, and Dragan Tomic, says that this decision should remove the obstacles to the work of the National Bank of Yugoslavia and prevent "further economic damage in the current period which is of great importance for our country."

The board noted in the letter that they had been genuinely well disposed toward the governor and that they had developed respect and loyalty for him during the period in which they cooperated, but "the board cannot explain or accept the change in his behavior."

The signatories—members of the board—said that the change in the governor's behavior occurred after negotiations with the IMF in Paris.

The NBJ board is particularly concerned by the fact that the governor's actions "used" the central bank "for political purposes."

Avramovic first clashed with the deputy governor, then with his deputy, and—the letter says—he continued the policy of personal conflicts "with a series of inappropriate statements, illogical demands, and unfounded accusations" at the expense of the federal government.

The board believes that the damage caused to the Federal Republic of Yugoslavia by these conflicts is huge.

"If we look at the facts, there are no objective reasons for any conflict, and especially not for conflicts with such consequences," the board said in its letter.

Serbia: National Bank Board Criticizes Avramovic

AU1405150596 Paris AFP in English 1457 GMT 14 May 96

[FBIS Transcribed Text] Belgrade, May 14 (AFP)—The board of the Yugoslav central bank on Tuesday [14 May] criticised its populist governor Dragoslav Avramovic, who has been in conflict with the government over contacts with the International Monetary Fund (IMF).

The board met late Monday to discuss the issue.

"The board of the National Bank of Yugoslavia has rejected Governor Dragoslav Avramovic's ultimatum that he be the only person allowed to make contacts with international financial institutions," the body said in a statement.

The board added that it had uncovered several "irregularities" in the governor's work.

Avramovic had been quoted as saying that he expected to be sacked at the meeting.

Earlier Monday, Avramovic had accused the government of torpedoing negotiations on the readmission of the rump Yugoslavia—comprising Serbia and Montenegro—to the IMF when they were on the brink of success.

He was speaking to thousands of workers demonstrating in Belgrade, urging them to support reforms as the best way to secure unpaid wages.

Serbia: Avramovic Says Country 'Sitting on a Time-Bomb'

AU1405174296 Paris AFP in English 1727 GMT 14 May 96

[Report by Victoria Stegic: "Yugoslav Bank Governor Slams Government Policy"]

[FBIS Transcribed Text] Belgrade, May 14 (AFP)—Yugoslav central bank governor, Dragoslav Avramovic, slammed the government's economic policies in parliament Tuesday [14 May], with the support of the opposition and thousands of angry workers.

The parliament is due to decide on what action to take over a statement issued by the central bank board, which accused Avramovic of committing "irregularities" and of trying to monopolise negotiations with the IMF.

The 76-year-old Avramovic has said that the bank board wants him replaced.

The governor—nicknamed Deda Avram (Grandfather Avram)—is hugely popular for his role in slashing hyperinflation, and was supported by thousands of workers who demonstrated in Belgrade and the southern city of Nis Tuesday.

His hour-long speech in parliament was warmly applauded by the opposition. He reprimanded the federal government, accusing it of obstructing the readmission of Yugoslavia into the IMF and of leading the nation to ruin.

Avramovic told reporters that Yugoslavia was sitting on "a time-bomb" because of monthly interest payments.

"The only way to save the economy is to to obtain foreign credits", he said. Otherwise, the government would have to cut budget spending by at least 50 percent.

Avramovic wants to see the swift reestablishment of relations with the IMF, an urgent privatisation programme and a drastic reduction in state spending.

Vuk Draskovic, leader of the Serbian Renewal Movement, the main opposition party, said he supported "those who want reforms against the state mafia which wants to retain the status quo."

When Avramovic arrived at the parliament building, he was cheered by 3,000 workers from a state-owned vehicle factory, who were protesting in the rain outside to show their support for him and to demand the payment of wages that are months overdue.

Avramovic addressed them briefly, saying that he would fight in parliament for the interests of workers, peasants and retired people.

The protestors, who dispersed in the afternoon, shouted "Thieves, thieves" as members of the government arrived at the parliament building.

The ebullient Avramovic was also backed by some 5,000 workers in the southern Serbian city of Nis, demonstrating for better working and living conditions.

Organisers said that many demonstrators were detained and questioned by the police. The demonstration dispersed after an hour to await the outcome of negotiations between the strike committee and the factory bosses.

In a letter, the head of the strike committee demanded a meeting with Serbian President Slobodan Milosevic to inform him of the "explosive situation" and to warn him that certain people were trying to provoke civil strife.

The demonstrations in Nis and Belgrade follow protests Monday.

About 11,000 workers had rallied in Nis, where a strike official said they wanted to make the authorities aware of the problems posed by the threat of further job cuts and wages which had been unpaid for up to a year.

In Belgrade on Monday between 2,000 and 3,000 people had demonstrated in front of the Serbian government headquarters but rejected a government offer to pay wages owed for January and then to start talks over the rest of the unpaid salaries.

Serbia: Avramovic Discusses Yugoslavia's 'Sick' Economy

LD1405193796 Belgrade TANJUG in English 1918 GMT 14 May 96

[FBIS Transcribed Text] Belgrade, May 14 (TANJUG)—The governor of Yugoslav National Bank (NBJ) Dragoslav Avramovic Tuesday described the present economic situation in Federal Republic of Yugoslavia as contradictory.

He was addressing Yugoslav parliament after the issue of NBJ functioning and relations with international financial organizations was included in the parliament session agenda at the request of Avramovic himself, NBJ board and federal government.

For the first time we have a stable exchange rate and no black market rate, as a result of the program 2 (of economic recovery), Avramovic said, adding that the exchange rate of national currency dinar would be even better (2.6 instead of 3.3 against the German mark) had the three governments agreed to the program six months earlier.

Assessing that Yugoslav economy was "sick," with enormous margins, monopolistic structure, and catastrophic social model of organization of enterprises and distribution, Avramovic said this chronic disease must be cured through a democratization of property relations.

The problem should be resolved also through a liberalization of imports, lifting of administrative restrictions on the economy and a reorganization of the economy through property transformation, he said.

Yugoslavia's economy is afflicted with many weaknesses, such as low foreign exchange reserves and 15 percent monthly interest rate which represents a time bomb, Avramovic said.

Noting that there are several ways of resolving this problem, Avramovic said the burden of taxation on the population and for business activities must be drastically reduced.

This, he said, would enable enterprises to contract less debts and to get operating capital, and would raise the standard of living of the population.

Avramovic in this context criticized federal and Serbian and Montenegrin governments for high budget expenditures and for being unable to reduce them.

Printing money is another possible solution, NBJ governor said, but this would plunge Yugoslavia into an inflationary catastrophe within two weeks.

Referring to some requests to NBJ to reduce interest rate to six percent, Avramovic said this would mean that not a cent would be borrowed from NBJ any more but that all credit and loan transactions would move to the black market, which would lead to interest rates of 30 percent instead of the present 15.

If it is impossible to reduce taxes and interest rates and if money cannot be printed, then the only way to get capital is to turn to foreign sources, unless the federal and republican governments are ready to reduce their budgets by 50 percent, Avramovic said.

Avramovic also criticized federal government for excluding privatization from its platform for negotiations with international monetary fund, while at the same time requesting membership continuity.

For the sake of continuity, federal government has even offered to take on all unallocated debts of former Yugoslav republics, Avramovic added.

Avramovic also expressed disagreement with the stance of the delegation appointed by federal government, adding that he had told Yugoslav Prime Minister Radoje Kontic before leaving for Paris for negotiations with IMF that he would not comply with the platform but would try in his own way to open money channels.

According to Avramovic, the issue of succession was the main reason for the failure of the Paris talks, as IMF representatives rejected Yugoslavia's stance on continuity and said Yugoslavia could apply for admission as a new member, but would in that case lose many advantages.

Serbia: Serbian Minister Hails Cooperation With Libya

LD1405164096 Belgrade TANJUG in English 1417 GMT 14 May 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, May 14 (TANJUG)—Serbia's Minister of Transportation [title as received] Aleksa Jokic and Libyan Maritime Transport Minister Beshir Osman el Dahani [name, title as received] said Tuesday that the successful cooperation between the two countries could serve as an example to other developing countries.

The two ministers discussed wide possibilities for economic cooperation, and underscored that it was important that the Libyan side promptly pay the outstanding debts to Yugoslav economic organizations, a Serbian government statement said.

The Libyan side expressed strong readiness significantly to increase and step up outstanding debt payments to yugoslav enterprises.

Minister Jokic thanked Libya and its leader, Colonel Muammar al-Qadhdhafi, for an objective stance towards the crisis in the former Yugoslavia and an unbiased attitude toward the warring sides.

Serbia: Belgrade Court Charges Djindjic, TELEGRAF Editor

AU1505110996 Bad Vilbel VESTI in Serbo-Croatian 15 May 96 p 3

[Unattributed report: "Djindjic and Belic Charged"]

[FBIS Translated Text] The Belgrade County Court yesterday filed charges against Democratic Party President Zoran Djinjdic and TELEGRAF editor in chief Dragoljub Belic.

A statement issued by the court stated that Djindjic and Belic have been charged "for publicly making fun of Serbian Prime Minister Mirko Marjanovic in TELEGRAF No. 88" from 24 January 1996 with regard to the way he performed his job, thus sullying the reputation of the Republic of Serbia, a crime punishable by law in the FRY.

Montenegro

Montenegro: Weekly Assesses Djukanovic's U.S. Visit

AU1505081696 Podgorica MONITOR in Serbo-Croatian 10 May 96 pp 18-19

[Commentary by Nebojsa Redzic: "In Their own Trap"]

[FBIS Translated Excerpt] Perhaps Mirjana Markovic [president of the Yugoslav Left Directorate and wife of Serbian President Slobodan Milosevic] will be unhappy that, due to a lack of mutual respect, she will not hear [Montenegrin Prime Minister] Milo Djukanovic's opinion on Chinatowns [kineske cetvrti] in the United States, but her husband will certainly have a reason for satisfaction. The Montenegrin prime minister not only cleared new paths for dialogue between the "FRY" [Federal Republic of Yugoslavia] with the leading institutions of world capital, but also demonstrated that supporters of privatization and human rights can function even within the framework of Slobodan Milosevic's authoritarian regime. Thanks to Djukanovic's stay in Washington and New York, curious and well informed Americans will definitely understand more easily why the "Yugoslav" public was served with an overly sweet story regarding the right to the continuity and succession of former Yugoslavia, and the Montenegrin prime minister was ordered to explain to the locals how Belgrade will, after all, accept the offered conditions.

Milo Djukanovic would not have had the image of a different kind of offspring of official Belgrade policy had he not built it on pragmatism and a separation from the emotional experience of reality. Because of this, it was not difficult for him to present himself as a promoter of new thought when he was in the United States; of a thought that is compatible with the U.S. understanding of life and also in opposition to the Serbian political-economical conservatism. By proclaiming that the insistence upon the succession was irrational and unnecessary, he "locked" himself within the 36.52 percent of the accepted rights and obligations of the "FRY," and he made the Americans happy with the information that Belgrade will no longer be setting conditions for the rest of the world. At the same time, whenever the conversations touched on topics that Belgrade does not like dealing with, he would bring in his trump card called Montenegro, emphasizing its specific characteristics, the possibilities of development, and the economic-political heritage of his government. It is perhaps because of this that, instead of the long-announced $1 billion, he only returned from the United States with the knowledge of a "positive evolution within the official circles in the United States regarding its policy toward Montenegro."

This has certainly reinforced his decision to persist in the creation of the economic independence of Montenegro, being conscious of the fact that U.S. support would be worth much more than the insistance on Montenegro's small inheritance from the property of former Yugoslavia. His intent to reach a financial separation from Belgrade was already a match for the expansion of Belgrade's authority [nadleznost] over Montenegro. This is a trade off for maintaining the "brotherly love" in a "modern federation." [passage omitted]

One needs to be malicious and doubt whether Djukanovic wishes Montenegro well. Naturally he does, on condition that he secures the top of the hierarchical ladder for himself. His intention to build a wealthy, prosperous, and open county can be braked with difficulty, not so much because of his aspirations, but more for reasons of interest. Although he will not admit it easily, he would have nothing against an independent Montenegro that is a member of the United Nations, the European Union, NATO... Matching his wishes with what is possible and attainable, however, he will continue to follow the path that he has paved for himself, always making sure that he is one step ahead of the rest, but never passing the point of no-return. Somewhere in the depths of his soul, he will carry the sorrow for all those laws and decisions with which his government denationalized [razdrzavila] Montenegro and gave it to Belgrade, but this will be easily and quickly compensated for by taking a look at the level of the state foreign exchange reserves. Being the master of Montenegro with "the greatest power since King Nikola" definitely pleases him, however, it also obliges him to think of the near future, when the time will come for the citizens of Montenegro to taste the fruit of his reign.

If Djukanovic ever does retire from state matters, it will be certain that, in the years of the Montenegrin narcissism, it was he who had more courage, strength, and dignity than all his fellow fighters. The duties that he has been fulfilling, would, under normal circumstances, have obliged him to be responsible for what was done and missed, but those circumstances do not exist in Montenegro. When he gathers all the authorities of the DPS [Democratic Party of Socialists] to explain the strategy and goals of Montenegrin economic independence, which of course has nothing to do with political separation, he will once again be faced with the impenetrable walls that he built with his policies and that he would now like to tear down. The controversies among the public that he has strengthened with his latest activities and a drastic fall in popularity might, in the end, let him know that great changes in politics are not really suggested in Montenegro today. For one pole (the Montenegrin), it is because nice words do not always mean the right actions, and for the other pole (the Serb), because even actions accompanied by inadequate words have a high price.

[Box, p 19]

Malicious Soros

Another piece of information reveals the character of Djukanovic's visit to the United States. Apart from the filming by WTN Television, there will be no trace of it. None of the state officials who would have taken care of the organization of the visit, shorthand reports, or translations went with him over the ocean. Some of these tasks were entrusted to the prime minister's "special counselor" from London, who even took care that the translator was from the same town.

Because of this, there will be no trace of Djukanovic's visit to the powerful U.S. businessman George Soros, not even on television tapes. According to reliable sources, apart from complaining that Serbia and Montenegro have been removed from the Soros Foundation registry, he asked the world benefactor to invest capital in Montenegro. He probably did not consider that Mr. Soros would disappoint him, for example with his question on the crushing of the free media in Montenegro, citing the example of Radio Cetinje....

Montenegro: Deputy Says DPS Will Vote To Dismiss Avramovic

LD1405222096 Belgrade TANJUG Domestic Service in Serbo-Croatian 2144 GMT 14 May 96

[FBIS Translated Text] Podgorica, 14 May (TANJUG)—Milan Gajovic, head of the deputies' club of the Democratic Party of Socialists (DPS) of Montenegro in the Federal Assembly, said this evening that if the question of the dismissal of the Council of the National Bank of Yugoslavia (NBJ) or its governor, Dragoslav Avramovic, is raised, the DPS would vote for the dismissal of the governor.

Gajovic was speaking on the news program of Montenegrin Television. He explained that the emergency conditions were over and that the creation and realization of economic policy, including relations with international organizations, should and can now be the task of a wider body and not just of one individual. This is first and foremost a matter for the federal government and the Council of the NBJ, Gajovic said.

He said that the role of Avramovic had been very significant in the period of what he described as emergency conditions, while sanctions were in force, both in the economic and general stabilization of the Federal Republic of Yugoslavia.

Now however, Gajovic said, the emergency conditions are no longer in force and the role of the individual is no longer crucial.